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## Near East/South Asia Report

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19 February 1985

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ALGERIA

OBJECTIVES OF 1985-1989 PLAN NOTED

Paris LE MONDE in French 27 Dec 84 p 18

[Article by Jean de la Gueriviere: "The Second Five Year Plan Aims to Prepare for the 'Postpetroleum' Era"]

[Text] The second 5-year plan (1985-89), which has just been submitted for the approval of the National Popular Assembly after a year's deliberation by the leading authorities of the FLN and high administration officials, provides for 550 billion dinars\* in appropriations for investment expenses, as against 400 billion dinars in the 1980-84 plan. More than ever, these figures serve only as an indication. In 1980, nearly half of the expenses planned for dealt with "goals remaining to be realized" from the two 4-year plans 1970-73 and 1974-77. This time, 300 billion dinars will be allocated for the effective realization of the "programs not completed in the first 5-year plan."

The authorities in charge of planning are the first to admit that the uncertainties associated with the development of the market in hydrocarbons make projections hazardous in a country in which 98 percent of the revenues in foreign currency depend on this market. The goal is to prepare for the "postpetroleum" era. The part played by hydrocarbons in the gross national product was 36 percent in 1980; it should be only 24 percent in 1989. The country's Ministry for Planning and Development pointed out that "export revenues may be subject to considerable fluctuation because of the uncertainties which weigh as much on the price trends and the international demand for oil and gas as on that of the rate of the dollar." The new plan therefore aims mainly to secure a better return from the production system and to diversify this production.

The part of investments in the production sectors is 174.2 billion dinars (31.6 percent) for industry and 79 billion (14.4 percent) for agriculture and hydroelectric power. Despite repeated speeches on the necessity of reviving agricultural activities, the effort agreed upon in this area remains relatively modest, even if one can argue that there has been progress in comparison with the preceding plan (47.1 billion dinars).

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\*One dinar is the equivalent of Fr 1.82

In social areas, housing takes the lion's share with 86 billion (15.7 percent), followed by education (45 billion), collective equipment (44 billion), and health (8 billion). The authorities state that they have reconciled the necessity of continuing to satisfy social needs and that of reaching an annual increase in the gross national product of 7.5 percent aside from hydrocarbons. The plan centers on restrictions on imports, with three quarters of the appropriations approved going for the purchase of equipment and only a quarter going to provide for household consumption.

Between now and 1989, the creation of a million jobs is planned, 250,000 of them reserved for women. At the same time, according to the forecasts, the population will have grown by 4 million inhabitants. The juxtaposition of these two figures leads one to conjecture, even if the age pyramid still grants a respite of a few years to the authorities whose task it is to consider work possibilities for the younger generations. According to the government's declared intentions, the effort to bring about the greater integration of women in economic activity will be accompanied by the creation of information centers for the spacing of births, an expression which the authorities prefer to "birth control" for religious reasons.

#### A Subway for the Capital

For the first time in his history, Algeria now has a city population larger than the rural population. City dwellers or farmers, 95 percent of Algerians live in the north of the country on a sixth of the territory. Planned for 800,000 inhabitants, Algiers totals nearly 3 million. It is an overpopulated city where housing and circulation problems remain acute despite the achievements of the first 5-year plan. The big project over the next few years will be the construction of a subway comprised of 3 main lines, totaling 64 kilometers. The program, which has dropped behind schedule initially, is divided into several lots for which calls for contract offers were made internationally. Despite its past hopes (LE MONDE of 14 October 1982), France will not be the only one to build the first section. As a matter of fact, the largest part of the civil engineering operations, which will begin provisionally in 1985, has been entrusted to Japanese businesses.

For the realization of the objectives of the second 5-year plan, the Algerians are still counting on the creation of jointly run government and private companies, with the foreign partner taking the smaller share, not only for financial reasons but above all because they see it as a means of ensuring the transfer of technology, a new watchword in trade relations with the industrialized countries. The foreign partner must bring his patents to the joint government and private company and supply qualified staff for the project. French companies well established in Algeria--for example, Michelin and Rhone-Poulenc--have entered into preliminary discussions but, generally speaking, no one is really zealous and the Algerians showed some displeasure about the fact at a meeting of the joint commission on economic cooperation which was held in Paris



from 10 to 12 December. Two days before this meeting, Algiers announced the signing of a draft agreement bearing on the creation of a joint company for the manufacture and installation of railroad signalling equipment with the German firm Siemens, the first foreign company to reply to invitations which have been issued since 1982.

#### The Role of the Private Sector

It seems that the new 5-year plan--reflecting official hesitation in this area--is relatively imprecise on the actual role assigned to the private sector, which is always encouraged in economic affairs if not at all levels of the FLN. Replying recently to a delegate's question about the participation of the private sector in the national economy after the measures announced to encourage this, the minister of finance observed that 1,200 files had been delivered to the competent administrative authorities to give some projects advance approval. Only 666 were accepted, providing for the creation of 22,000 jobs, mainly in small food industries and in construction. The total amount of these investments is 262 million dinars.

The minister also declared that 2,780 Algerians had benefited from the opportunity of acquiring some property under the plan to put into production some agricultural land not being farmed collectively. These figures show the limits of the policy of expanding the private sector by comparison with the total amount of investments, no matter how interesting the current debate may be.

9824

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ALGERIA

FRUIT, VEGETABLE PRICES ON THE INCREASE

Algiers ALGERIE ACTUALITE in French 20-26 Dec 84 pp 16-17

[Investigative report by Meziane Ourad: "Green and Wormy"]

[Text] Down at the market, all the stalls are full. Farewell to the shortages and the stress they brought with them. Fruit and vegetables, though, cost just as much as ever. When you buy a cabbage, you pay the profit-margins for three or four middlemen. Meziane Ourad worked his way back through the channels of the "system" to where it begins -- before any sorting, grading, or weighing takes place... He talked with pickup-and-delivery men, observed the aging work-force, looked at the state of the environment and at production.

Doing one's marketing these days is not all that difficult. No matter what, one has a degree of choice. There is just one problem: prices for fresh fruits and vegetables are rising faster every day.

Oranges, which only yesterday were commonplace in all our diets, now cost anywhere from 8 to 12 DA, while peppers remain stubbornly above 17 DA at the least. Even the lowly and once-scorned turnip will cost around 7 DA. You will find very few truck-garden products available at less than the already stiff price of 5 DA.

Where are these prices coming from? Who is making money from the hikes? Paradox. Rich, poor, or somewhere in-between, the Algerian today, though ready as ever to grumble and protest, is ready to fork over the price.

Premium-priced or cheap, our fruits and vegetables are snatched off the stalls. On one side of the counter, people complain, but without knowing quite what to do about it. On the other, the vendors rub their hands as they silently pray that the times will stay this good.

Over at the Agriculture Ministry, where we went in search of background and prognostication about this state of affairs, there was a meeting going on. The state farms pointed the finger of blame at the government: "We never get our fertilizer or seed on time. We have major problems with labor, and worse ones with water. The government distribution agencies to which we are often forced to sell our products rarely play the game fairly. Their prices are too low and they never pay on time." There is a lot of truth in this, but there is also a tinge of terminological inexactitude.

The socialist farms (DAS) are no longer obliged to deal solely with COFEL and ENAFLA. They are free nowadays to sell their crops to private buyers.

What is more, they sell to the highest bidder, hence the inevitable speculation and the inevitable under-the-counter deals. And that sort of thing, of course, is not permissible.

As a matter of fact, the chronic deficits and disorder all too typical of the various kinds of socialist farms has recently induced the top levels of government to pause for sober thought. Out of that reflection have come some decisions rooted in a concern for strict order, for more energetic management, and, consequently, for some sign of profit.

Contrary to what some have sought to make us believe, these decisions are not motivated by a desire to put the state farms up for sale to private purchasers, or to challenge the sacred principles set forth in the National Charter and the major texts of the Agrarian Revolution.

No, the socialist farms are going to stay in state hands. They have simply been merged and then restructured along the lines of other national economic undertakings. It had in fact become all but impossible to keep a rein on some of them, so vast have they grown. Even so, their operations are not necessarily better now than they used to be.

The chairman of a 510-hectare farm at Birtouta, which specializes in cattle but also has truck-gardens and orchards, puts it this way:

"We have always operated at a loss, and we are still running at a loss." "Why is that?" "Because we sell our products at a loss to the National Animal Feed Office (ONAB), to the Regional Office for Milk and Dairy Products, Central Region (ORLAC), to the National Fruit and Vegetable Supply Enterprise (ENAFLA), and the rest of them."

This situation is perhaps peculiar to this farm with its special emphasis on milk production, "because for fruits and vegetables, nobody and nothing obliges the farms that grow them to sell

to the national distribution agencies at a loss," we were told by an official in the Commerce Ministry.

On the other side of the coin, ENAFLA and COFEL these days are caught between a rock and a hard place, between the impossible and the necessary. ENAFLA, for instance, whose role is a regulatory one, should theoretically be working to lower or freeze prices.

What enforcement authority does it have to do this?

Almost none, because it is chronically short of storage facilities, transport, information, and particularly the cooperation of the pickup and delivery operators who are not, like ENAFLA, bound by the letter of laws singularly ill-suited to the specific requirements of farm work. A pickup and delivery man works day and night. If his truck breaks down, he rents another or buys the replacement part on the black market. When he decides to buy a crop, he is in a position to haggle over the price because this is the way you deal for standing crops. When picking-time comes, he is the man who comes up with the right number of hands and who sets the price (sometimes as much as 250 DA per day). ENAFLA, though, can't do a thing about any of this and, for that very reason, is not much of a partner for the DAS.

For the socialist farms, the driver/consignment man who rescues them from the need to do their own picking and hands them tidy profits without sorting what he buys (since he buys the entire crop and not a specific portion of it), is a godsend, a gift from heaven.

That leaves the fruit and vegetable cooperatives (COFEL), usually under the jurisdiction of the walis.

The plight of these cooperatives which no longer have any logical reason to exist (they were founded, initially, by the chairmen of socialist farms and the now-defunct Communal Multi-Service Agriculture Cooperative [CAPCS]) is even more tragic. Very often, with the exception of three or four, including the Algiers one, they are abandoned to their own devices -- or, in other words, to perish. Without any real assets, with no support from local authorities, what the COFELs can do, in most cases, is next to nothing.

These cooperatives could never become viable regulatory instruments.

Under these circumstances, the faithless, lawless consignment men force them to sell for prices that hurt them as well as the consumer and the honest retailer.

If all the garden produce as well as the citrus fruits that used to be within everyone's reach are moving these days out of reach

even for the modest budget, it is unquestionably because somewhere between the private or state-owned farm and the market stalls there are some over-nimble and fairly sticky fingers at work. A Commerce Ministry official explains: "The factors behind the price rises are extremely numerous. Of course you have the slick operators, foremost among them the consignment men, who rake in too much of a profit. You also have the retailer who is guilty of the same practice. Sometimes the merchandise passes through more than four pairs of hands, but the main problem is the fact that the grower himself sells without any previous calculation of his own costs of producing the bounty of his land. When you start selling your standing crop (to the highest bidder), it is all too obvious that even the most rudimentary rules of trade, such as the reckoning of retail prices or selection of a profit margin -- and those rules are the same for everybody -- will simply go by the board."

Aside from all these flaws in the way we organize and market our fruits and vegetables, there are other causes that fuel the runaway prices, and they are inherent in the production process itself. Farmers with whom we met in Mitidjia admit that: "The orchards are too old. Some of them are as much as 90 years old, though their average useful life-span is reckoned at around 25 years. There is a tragic shortage of water. The land is scarcely worked at all, or is mistreated, mainly because of a shortage of hands or the all-too-frequent nonexistence of any plan for growing. When workers are available, they are rarely skilled. Those who are experienced are too old, and it is increasingly urgent that they be replaced. Maintenance, farming's other Achilles' heel, has been reduced to tinkering. Theoretically, any farm concerned with boosting its productivity owes it to itself to have a blacksmith shop, a machine shop, and a lot of other facilities for doing maintenance work on the premises."

You see none of this in most places. Add to that the environmental needs of the crops (fertilizer, seed...) that never arrive in time and you can readily deduce that farm production is not growing so fast as we think. You will also understand why oranges are priced at 12 DA or peppers at 40 DA.

Private farmers are no better off on the material level. At least that's what we were told by one of the top men on the Hadj Kaddour family farm in Birtuta:

"Problems? Of course we've got problems. Take seed-grain: the CAPCS used to supply us, but since they were dismantled we just have to scrape around and do the best we can, and it's seldom an easy matter."

At Hadj Kaddour's house, we also heard complaints over the fact that they were not entitled to a Mazda pickup with a tarp over the bed... Restrain your tears, though: our private farmers are not on the brink of ruin.

"What makes you think they are?" asked Ali, a wholesale-retail dealer at the Boufarik market. "They're the one's who make the rain fall and the sun shine here. The price of everything in the market depends on them. They flood the market or starve it -- and so touch off a panic -- depending on how they feel and the shape of the exchequer. No, they're not to be pitied."

The one to be pitied is the consumer who pays the cost of the lack of accountability in controlling prices. That lack is due to all the factors we have cited and which could be set right if only the government's distribution agencies seriously got down to work on it, beginning by acquiring working tools and procedures adequate to cope with the specific nature of agriculture.

When you say agriculture you are saying "perishable goods" and you are talking about the need to shift into high gear on the job, to increase the number of storage and processing facilities, to have ready access to efficient transport, etc.

Until such time as the distributor-producer relationship becomes one of "confidence, solidarity, coordination, and cooperation," we were reminded by a Commerce staffer, "we are not going to see any convincing performances."

That still leaves this matter of standing-crop sale, which, in good years and bad ones, is going to go on pushing up prices if it does not stop. The same Commerce staffer went on: "ENAFILA has the difficult mission of putting a stop to it. It can do it if it adopts the idea of contracts made on the basis of the annual planting plans with the producer, who will get a comfortable margin of profit [and] the rest of the circuit, once the produce is bought, will no longer depend on anybody but ENAFILA and on the moderate profit margins which the agency and the retailers have a right to claim."

To put it more plainly, the sale of standing crops, as practiced currently, is illegal. Growers must profit by it to improve their production and their productivity by bringing their land back into healthy tilth and then halt it very quickly to return to more suitable and 'cleaner' practices." However, since there is no sign of such a move, ENAFILA must go to the growers and win them over by offering more advantageous terms, such as the contract formula. At that point, the farmer will start thinking a bit, and maybe come to realize how much his ties with the pickup-and-delivery man -- who buys only what he pleases -- and hence what is in short supply and will bring top prices -- are at the mercy of blind chance.

Once this producer-distributor relationship is settled, there will still be the matter of the sales venue to be solved. Everywhere we went, people told us over and over again that wholesale markets are practically indispensable. An interministerial

circular issued in April 1982 joins in the call for their establishment. Without them, there can be no real control over the market, much less any control over quality, price, quantity, origin, destination, or dealers.

There was a time when there were different varieties and grades of produce in the market stalls. Today, if carrots cost 4 DA, they cost 4 DA for everybody, and for whatever kind, size, or quality of carrot. Yet, even so, people are buying and eating more and more of them. Is this a clear indication of the wealth of the population at large? Maybe so. Surely not.

6182

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EGYPT

# ECONOMY MINISTER EXPLAINS NEW CURRENCY MARKET REGULATIONS

Cairo AKHIR SA'AH in Arabic 9 Jan 85 pp 10-11

[Interview with Dr Mustafa al-Sa'id, minister of economy: "How Did the Exchange Rate for the Dollar Drop, and Where Does the Egyptian Pound Stand?"]

[Text] Where does the Egyptian pound stand now that there are new exchange rates for the dollar and other free currencies?

What was the intent behind the recent economic decisions, and how will they benefit the economy and development?

What role can Egyptian banks be expected to play now that they have been given this major impetus, and what can Egyptians working overseas do to eliminate trafficking in currency and speculating with the Egyptian pound?

How will the system for direct import with local currency work? How will these decisions stabilize Egypt's market for the dollar and other free currencies? What will happen once the new system is put into practice, and what do the preliminary indications show?

An important step confronting the situation at its very roots has been taken with the issuance of a group of very important economic decisions which will regulate and stabilize the free currency market in Egypt. These decisions authorize accredited banks to buy and sell currencies at flexible rates determined each day according to supply and demand, and obligate the banking system to take part in development by arranging foreign currency for all public and private sector import operations, in addition to stimulating exports. Restrictions on all deposits in free currencies are eliminated, as is discrimination among various types of private accounts, whether the source of the money is known or not.

In short, with these new decisions the banks have pulled the carpet out from under the currency dealers. How well is the new system operating, 4 days after it was put into practice? What are its goals and its benefits to the national economy and development in Egypt? How will these new decisions affect prices in general?



We discussed these questions in an important interview with Minister of Economy and Foreign Trade Dr Mustafa al-Sa'id, who jumped right into the problem of dollar rates and currency dealers.

[Question] [Not given]

[Answer] Preliminary results 4 days after the new foreign currency transaction system was put into effect show that exchange rates for foreign currencies in Egypt have begun to stabilize, particularly the dollar, which dropped about 15 piasters. This indicates a trend towards more disciplined currency market transactions and a cessation of speculation in the Egyptian pound by some irresponsible groups. This is a fine, auspicious beginning for an important measure to put an end to the illegal foreign currency market in Egypt.

[Question] [Not given]

[Answer] Anyone who has followed the economic policies adopted by the government since the 5-year plan began in 1982-83 will find that they come within the context of a definite philosophy: the firm desire to make the open door policy more productive, on the one hand, and more in accord with the social dimensions of the economic policies on the other hand.

This goal is indubitably related to the need to achieve discipline in various aspects of economic life, whether in banking credit, foreign currency transactions, distribution and follow-up of investments, or the general budget, with respect to collecting various revenues and controlling public expenditures.

This means that discipline, in the broadest sense of the word, must be achieved in all aspects, agencies and sectors of the economy, including the banking system, the investment sector, customs, and so forth. There has been coordinated government activity within these various economic sectors, and this philosophy will inevitably be reflected in the measures the Economy Ministry adopts within its jurisdictional limits. The various ministerial policies since the beginning of the 5-year plan can be explained as a series of concentric circles spreading out in the direction of this final goal--disciplining the action of economic variables subject to the ministry and its guidance.

Consequently, the recent decisions issued on 3 January and effective as of 5 January complete these concentric circles of economic discipline, and for this very reason must be further developed in the future in order to attain the final goal--achieving complete discipline, and making the open-door policy more productive while still embodying social dimensions.

A Strong Inducement For the Banks

[Question] [Not given]

[Answer] The new decisions are based on one fundamental idea--giving a strong inducement to the banking system to act as a legitimate, legal channel for foreign currency transactions, in order to meet the public and private sectors' free currency requirements.

It can be said that only insofar as the banking system meets its responsibilities in this direction will we be able to eliminate the parasitic elements who have exploited the exchange market in recent years--the currency dealers and middlemen--and the imbalance in the exchange market which has resulted from speculation with the Egyptian pound and the introduction of elements conducive to certain deviant banking practices which have deflected the banking system from its basic purpose of participating in development and investment.

Therefore, if the new decisions succeed in increasing the effectiveness of the banking system as a legitimate, legal channel under the supervision and control of the Central Bank, they will provide the banks greater opportunity to carry out their responsibilities towards economic development, and will lead to the elimination of the negative features of the banking system itself, as for example credit. In many cases the banks had tended to finance parasitical activities such as the currency trafficking and wide-scale expansion of importation which took place from the late seventies until 1982.

But the banking system is now in the position to basically direct this credit towards productive projects which serve the efficiency of general economic activity.

Something else: as a result of the recent decisions, the banking system has become responsible for arranging foreign currency for whoever wants to import, instead of the importer paying in Egyptian pounds. This in fact means the elimination of the worst shortcomings of the system which had prevailed prior to the new decisions.

Whereas the state had allowed the importer to import legally and legitimately, at the same time the importer had to seek financing for these imports through illegal, illegitimate means, with the result that the currency dealers took advantage of the situation and arbitrarily imposed whatever exchange rates they wanted.

For these reasons, the new decisions provide opportunities for more efficient use of available resources since, as we all know, foreign currency is the most important, scarcest element on which economic development depends.

#### The Role Required Of the Banking System

[Question] [Not given]

[Answer] The fact is, in light of these new decisions, the banking system has been granted the major privilege of being entitled to finance imports. Moreover, the decisions include a system to protect the banking system and

the bankers from any effects which might directly result from currency dealers' financing importation without currency conversion. Thus, the banking system is now more capable than ever before of carrying out its responsibilities, which, naturally, are growing. We know that the Egyptian banks wield great economic power, relatively speaking, when compared to the banking systems in other countries. For example, if we take the deposits in Egyptian banks, whether in foreign currency (to the amount of US\$8 billion) or in local currency, and compare them to the gross national product, we find that the ratio is greater than in any other country.

The banks' responsibilities also become greater when we consider the manpower they employ, since bank employees constitute a manpower elite among all the various sectors, and when we look at the credit and loans which the banks can grant. All of this proves how vastly important the banking system is for the national economy as a whole.

Therefore, economic decision makers are fundamentally obliged to make use of this vast power in such a way as to serve the goals of economic development as well as the ultimate goal of making the open-door policy more productive while still preserving social dimensions. This clearly means that the banking system must be directed towards financing production projects which will meet the basic needs of the public.

Surely the banking system, with its foreign currency deposits, is capable of significantly helping finance and facilitate foreign trade activities. It can also set up bodies to study what kinds of investment projects the society needs, and can encourage, promote and contribute to these projects. But in the final analysis, the banking system will never be qualified to play this role until its activities become more disciplined.

#### Providing the Private Sector's Needs

[Question] [Not given]

[Answer] Before the recent decisions were issued, the volume of importation without currency conversion, and the foreign currency needed for it, was the subject of an exhaustive study, which found that last year such import activity amounted to \$1.4 to 1.6 million. Accordingly, several measures were adopted to rationalize importation, especially automobiles. Furthermore, in order to ensure the supply of two basic commodities, reinforcing iron and cement, mutual deals were concluded with several countries to provide 50 percent of our iron needs and a large amount of cement. These three commodities [automobiles, reinforcing iron and cement] make up from 35 to 40 percent of our total imports without currency conversion.

However, we do not expect the private sector's import needs--the so-called importation without currency conversion--to exceed \$1 or \$1.2 million at the most. This means that about \$100 million are needed each month, or \$25 million each week--a sum which is not too large for the banking system, as represented by the 44 banks which have entered the free currency market, to provide. Surely each bank could easily provide an average of \$500,000 a week.

All indications are that all the currency the private sector needs for importation could be easily arranged, especially when we take the following facts into consideration.

1. In accordance with the new decisions, the banking system will conduct currency transactions according to actual, flexible rates which can be changed daily according to the situation in the currency market. Consequently, the banks can attract more funds, which had previously been slipping through the cracks, into private accounts for use in financing importation without currency conversion.

2. We have become more experienced since last March, when some individual banks first began buying and selling currency. In spite of the great difference in exchange rates at that time, between the banks' 112 piasters and the currency dealers' 124 piasters, these banks were able to attract an average of \$8 million each week.

#### Import Requirements Come First

[Question] [Not given]

[Answer] It will be extremely simple to make sure that the importers don't use the currency the banks arrange for them for purposes other than importation. Whenever an importer requests credit for a commodity, that commodity either falls outside the jurisdiction of the rationalization committees or else comes under their purview and must be approved by them. In either case, no credit can be opened without actual invoices or unless the goods have actually been shipped and have arrived. Consequently, the banks will never provide credit except for actual, specific goods.

[Question] [Not given]

[Answer] In fact, the new system or decisions for regulating foreign currency transactions fully recognizes the demand for free currencies for other than importation purposes; a demand exists for various travel needs, such as the pilgrimage, the lesser pilgrimage, medical treatment, and tourism; for converting the profits of investment companies; for paying off importers' long-standing debts; and for the needs of Port Sa'id. But we feel that in the beginning, it is enough for us to commit ourselves fully to financing importation, because we believe that importation meets the requirements for goods needed for production and investment projects, and provides basic commodities for all. Therefore, importation takes priority over all other sources of demand for currency.

But at the same time, we are waiting to see how this new system will develop, and what kinds of revenues the banking system will be able to attract. If it becomes clear that it can attract more currency than importation requires, we will then immediately meet the demand from other sources.

## No Privileges For Free Currency Accounts

[Question] [Not given]

[Answer] The new system will get the banking system ready to provide foreign currency for all importers, whether they have free currency accounts or not. But the free currency account holder will not be given any preferential treatment because of his foreign currency account; he will put up the value of his credit and the required insurance in Egyptian pounds, and the bank will arrange an equivalent amount of foreign currency for him in return--just as for the importer who has no free currency account. Although whoever wants to can sell his account to the bank at the declared market rate, that has absolutely no connection with importation. We have avoided just such a situation, because any leniency here would lead to the emergence of another market for financing free currency accounts, and thus the emergence of yet another illegal market!

[Question] [Not given]

[Answer] There is no problem for the Egyptian who works in an Arab country, for there is a declared exchange rate announced each day by the Central Bank's exchange rate commission. Either the worker sends his checks or bank transfers in foreign currency to his bank for deposit in a free currency account or for sale to the bank according to the new, flexible system, or else he goes to an accredited moneychanger in the country where he works and requests that the currency he wants to send to Egypt be converted into Egyptian pounds, for surely an accredited moneychanger would have arrangements and agreements with an accredited national or joint bank in Egypt. In this case also, there is absolutely no reason to fear for the bank drafts.

There is a third method, whereby the holder of the bank draft accommodates anyone who offers to take his foreign currency and pay him the equivalent in Egyptian pounds. Here the overseas worker himself bears all the responsibility and risk inherent in resorting to an illegal channel subject at any moment to punishment by law.

In case it should happen that a moneychanger in an Arab country commits a violation, the Egyptian worker can turn to that country for help, provided the moneychanger is accredited. In this case, the moneychanger shall be considered in violation of the law and subject to immediate punishment.

## Rationalizing Does Not Mean Prohibiting

[Question] [Not given]

[Answer] The import rationalization committees, the Central Bank's exchange rate commission, and the agencies involved in applying the new system are working in full cooperation. The rationalization committees are responsible for determining which goods the national economy needs to import. This is

done in order to achieve several goals, the most important being protecting local industry and production, in addition to other socio-economic considerations. But we decided to place production requirements and building materials outside the jurisdiction of the rationalization committees, so that these basic goods can be made available rapidly. People forget that the goods with which the committees are concerned are those which are non-essential, or which have a local substitute. The rationalization committees are not prohibitory committees, as they might appear to be at first.

But the goods which come within their purview are subject to re-evaluation, and importation is more often approved than rejected.

How Is The Exchange Rate Determined?

[Question] [Not given]

[Answer] In the course of its work, the Central Bank's exchange rate commission rationalizes several variables and economic indices. Numerous studies were conducted at the Economy Ministry before the new decisions were issued, and all of these studies dealt with how exchange rates have developed in Egypt over the last 10 years, including seasonal variations in these rates, in order to discover a pattern to the development of exchange rates on the free market.

In light of these studies, the commission takes into consideration the relationship among exchange rates for the dollar and other world currencies, as well as the peculiarities of the Egyptian market and the pound's fluctuating exchange rate on the local market and on the Arab markets in those countries where there are expatriate Egyptian workers.

To these considerations, the committee adds the experience in exchange rates and supply and demand factors which the banking system has acquired in recent years. In addition to all of these factors, the commission bears in mind the fact that exchange rates are flexible and subject to daily change.

The Banks Are Stronger Than the Currency Dealers

[Question] [Not given]

[Answer] It will be very hard for the currency dealers, or any other non-economic element, to force the Central Bank's exchange rate commission to set rates at levels higher than the actual market rates. With the new decisions, the currency dealers will no longer be the main force in the currency market; in fact, the rug has been pulled out from under them. The principal factor in the demand for these dealers' currency had been the importer's urgent need for currency, and his feeling that if he doesn't get it, he will lose money or his activities will come to a halt. For this reason, the importer had been willing to pay any rate imposed by the currency dealer. We must not forget that importation without currency conversion represents from one-third to one-half of the private sector's total needs.

With the new decisions, the banking system is now obliged to provide currency for the importer, who will feel relieved to be released from the hardship and burden of dealing with currency dealers, and who for the same reason did not want to use his free currency account to finance importation.

[Question] [Not given]

[Answer] Actually, the new regulations will eliminate most of the complaints about importation in general and Decree No. 119, which sets the profit margin for imported goods, in particular. Now that the exchange rate for the dollar has been set, and can be ascertained at any time, there will be no disputes between the importer and the Supply Ministry over import costs, or the dollar's exchange rate in particular.

#### The Drop In the Dollar's Exchange Rate

[Question] [Not given]

[Answer] It is hard to predict what effect a single factor--exchange rates for foreign currencies or the dollar--will have on inflation and rising prices, for such issues are not only related to free currency exchange rates and importation, but are also connected with other possibly more important factors such as the budget deficit, the amount of currency available, the rate of its increase, the volume of local production, and how well it meets the society's needs. But if we take the exchange rate which had been set according to supply and demand conditions during the first days of the new system, which varied from 124.5 to 125 piasters for the dollar, and compare this with the currency dealers' rate, which varied from 138 to 140 piasters, we see a considerable difference, which might be contributing to the relative drop in prices for some imported goods. This new method is a practical, objective solution to illegal foreign currency trafficking, and will reduce the activity of the currency dealers to a minimum.

[Question] [Not given]

[Answer] These new decisions for regulating foreign currency transactions were not issued in a vacuum. They are sure to be successful and effective for the national economy. It was felt that these measures and regulations could be integrated and coordinated with previous measures, so as to implement the goals of the 5-year plan and meet the requirements of Egyptian development.

Such integration and coordination is represented by the following points.

1. The decisions to place no restrictions on foreign currency deposits in the banking system and to abolish discrimination between currency of known and unknown provenance reflect increasing confidence in the Egyptian economy and in the Egyptian banking system, and also reflect the desire of economic policymakers to encourage individuals and companies to deposit their foreign currency in the banking system instead of hoarding it.

2. The earlier discrimination between deposits was arbitrary and served no economic purpose, especially since whoever had currency of unknown or unproven source could easily deposit it without any restrictions in branches of foreign banks, which led to favoring foreign banks over national or joint banks. Eliminating this discrimination means that every bank is now on an equal footing.

#### Reaffirming the Central Bank's Authority

3. The recent decisions are in fact part of a series of concentric, integrated circles in the government's determination to achieve discipline in foreign currency transactions. These decisions are firmly linked with previous decisions and measures taken during the last year and a half. Two basic steps preceded these decisions, the first of which was taken in August 1983 when the banking system was ordered not to open accounts for some currency dealers, in an attempt to break the currency dealers' monopoly as a first step towards achieving discipline in foreign currency transactions; in this way, such activity would be shifted over to the banking system and would proceed according to guidelines and bases drawn up by the Central Bank. The second step was taken last March when the banking system was permitted to deal in foreign currency. These three concentric circles are part of the integrated steps for attaining economic goals. They give the banking system the opportunity to carry out its responsibilities, and also work to wipe out the parasitic elements which were trying to harm the national economy.

4. The recent decisions re-emphasize yet again the government's policy of reaffirming the Central Bank's authority and supervisory capacity--a policy announced by the government at the beginning of the 5-year plan. These decisions affirm the independence of the Central Bank and its control over guiding policies, especially foreign currency policies, in light of general government policy.

5. These decisions were issued after exhaustive studies conducted by the Economy Ministry and the Central Bank, and followed discussions in the Supreme Policy Committee, the cabinet, and presidential meetings. Opinions were also sought from numerous economists of various persuasions, so that these decisions could be integrated with others in order to achieve their ultimate goal.

8559

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EGYPT

## AL-AHALI ATTACKS TORTURE OF PRISONERS

### Al-Jihad Case Papers

Cairo AL-AHALI in Arabic 21 Nov 84 p 3

[Article by Tharwat Shalabi: "Torture With Electricity, Threats Against Relatives, Sexual Assaults. One Interior Minister, Two Police Major Generals, Three Brigadier Generals Accused of Torture!"]

[Text] The day was Wednesday, 21 February 1984; 52 days have passed since the Supreme State Security Court handed down its decision in the al-Jihad Organization case. In its opinion, it said:

"Based on defendant testimonies backed by medical reports, and in view of the delay in bringing the defendants before the prosecution, despite the general prosecutor's order to do so, and [based on] the circumstances surrounding their arrests and the fact that the security agencies did not have prior information about the organization and its goals and members, the court is satisfied beyond a shadow of a doubt that the security agencies assaulted the majority of defendants and tortured some of them, inflicting upon them injuries requiring hospitalization at public hospitals, including the police hospital. The purpose was to extract from them confessions for the crimes committed and declarations about the circumstances of these crimes and about their partners in these crimes."

Although the full provisions and particulars of the judgment have been before the general prosecutor and the state security prosecution for 52 days, or rather, several long months, as well as before the president of the republic for approval, and before all the various state authorities, and despite the People's Assembly proces-verbal, containing 12 forensic medical reports proving the commission of torture, filed by deputy Fikri al-Jazzar during the debate on the extension of the state of emergency in October 1983, over 12 months ago, that is, despite all this, the various state establishments have remained suspiciously silent in the face of this crime that touches the country's security and society as a whole and affects every single citizen in it.

The matter is not just some lines written by an honorable valiant judge in a legal verdict. Rather, it is a daily affliction suffered by hundreds of thousands of families all over Egypt and an ugly violation of the humanity of a

group of this country's citizens who were subjected to torture. The bodies of the al-Jihad defendants and their families, the court records, the lawyers' accounts about the defendants and the court's decision indict a number of police officers and enlisted men in the various branches (State Security Investigations [i.e., GDSSI], prisons, central security, the cabinet's bureau) for crimes of torture by battery with sharp instruments, electric wires and whips, burning, sexual assault and electric rods.

The accounts contained the names of:

- Maj Gen al-Nabawi Isma'il, former interior minister;
- Maj Gen Hasan Abu Pasha, minister of local government, NDP politburo member and former minister of the interior;
- Maj Gen Zaki Badr, governor of Asyut and former assistant minister of the interior;
- Maj Gen Fu'ad 'Allam, GDSSI;
- Brig Gen Muhammad 'Abd-al-Fattah 'Umar;
- Brig Gen Muhsin al-Sarsawi (al-Istaqbal prison warden);
- Brig Gen Safwat Jamal-al-Din (prison commissioner, Turrah penitentiary);
- Officer Salah Niyazi;
- Officer 'Isam Shadi;
- Officer Jamal 'Abd-al-Hakim;
- Officer Faruq al-Shafi'i;
- Officer Muhammad Mahir;
- Officer Hani Amin;
- Officer Mamduh Kadwani;
- Officer Nabil Abu-al-Nur;
- Officer Muhammad Mursi;
- The warden and officers of the Citadel Prison; and
- enlisted men Muhammad al-Shirbini, Ibrahim 'Abd-al-'Ati, Sha'ban and Dassuqi.

Rather, the charges contend that the crimes of torture sometimes were committed under the eyes of prosecution personnel, including Justice Raja' al-'Arabi, general counsel of the State Security prosecution; Ibrahim 'Abd-al-Muttalib,

representative of the State Security prosecutor's office; and Samih al-Kashif and Shawqi Fayid, deputies to the prosecutor general.

Anwar 'Abd-al-'Azim 'Ukashah (defendant No 21 in the al-Jihad Organization case) says, in his account recorded in the file forwarded to the general prosecutor, that his father died before his eyes under torture inside Turrah Penitentiary upon his arrest.

Tariq al-Zummar (defendant No 15) says in his account that Justice Raja' al-'Arabi, general counsel of the State Security prosecution, personally turned him over to police officer Muhammad Mahir for torture with electric wires and burning to force him to confess.

M. M. M. Salih (defendant No 000 [as published]) says that he was flogged with electric wires and whips, burned with fire and had his honor violated under the supervision of and at the instruction of former interior minister Maj Gen Hasan Abu Pasha. Moreover, his sister was burned with fire and his blind mother sexually assaulted after being undressed in prison before his eyes. His grief-stricken father, who was forced to witness these assaults, was paralyzed as a result. The flogging was done by Brig Gen Muhammad 'Abd-al-Fattah 'Umar and the sexual assault, by police Sgts Sha'ban and Dassuqi from the Turrah Penitentiary staff.

H. 'A. Mursi (defendant No 000) was tortured, sexually assaulted and disgraced by specially trained police dogs.

J. 'A. Muhammad (defendant No 000) was tortured with the internationally-banned electric rod that causes temporary paralysis and amnesia.

M. Y. Hammam (defendant No 000) says that he, his mother and two brothers, Ahmad and Jamal, were tortured at the personal orders of Maj Gen al-Nabawi Isma'il while he was sexually assaulted in prison in their [i.e., his family's] presence. His mother's head was shaved, and he was tortured by Brig Gen Muhsin al-Sarsawi, the Istiqbal prison warden, and Brig Gen Safwat Jamal-al-Din, the Turrah Penitentiary district director, as well as by officers Hani Amin, Mamduh Kadwani and Muhammad Mursi, who were joined in this by Ibrahim 'Abd-al-Muttalib, representative of the State Security prosecutor's office, who witnessed his rape.

Sayyid 'Ali Isma'il al-Salamuni, associate professor at al-Zaqaziq University (defendant No 26), and his father were dragged through the streets of east Hihya City; he was also tortured by Brig Gen Muhammad 'Abd-al-Fattah 'Umar under the supervision of al-Nabawi Isma'il.

S. A. Muhammad (defendant No 000), became hysterical after being tortured and sexually assaulted in the presence of Brig Gen Safwat Jamal-al-Din, officer Faruq al-Shafi'i and orderly Ahmad Sa'id who ordered the inmates, one of whom was Mustafa 'Abd-al-'Aziz at Dayrut prison, to rape him.

Hisham 'Abd-al-Zahir 'Abd-al-Rahman (defendant No 33) was flogged, whipped with electric wires and burned with fire at the hands of Brig Gen Muhammad 'Abd-al-Fattah 'Umar and Safwat Jamal-al-Din.

S. A. Hassan (defendant No 000) was sexually assaulted at the Alexandria security division and Turrah Penitentiary in the presence of deputy prosecutor general Samah al-Kashif.

Hammam 'Abd-al-Rahman Muhammad (defendant No 3) was tortured, according to the statement, by Brig Gen Safwat Jamal-al-Din and officers Mamduh Kadwani and Hani Amin. He was questioned before the socialist prosecutor on 22 October 1981, right after al-Sadat's assassination.

Mustafa 'Ali Hasan (defendant No 46) was tortured by officer Jamal 'Abd-al-Hakim in the presence of deputy prosecutor Shawqi Fayid to force him to confess to special charges.

A. H. A. Husayn (defendant No 47) was raped by officer Salah Niyazi under the supervision of al-Nabawi Isma'il. He was tortured and sexually assaulted by officers Salah Niyazi and 'Isam Shadi and enlisted man Muhammad al-Shirbini in the presence of deputy prosecutor Shawqi Fayid, with Maj Gen Zaki Badr, the assistant interior minister and present governor of Asyut, looking on.

Ala'-al-Din Siddiq Mursi, 19 years old (defendant No 49), was questioned before State Security prosecution while hanging by his arms like a slaughtered animal, completely naked. He was tortured by Sawhaj security investigations director Nabil Abu-al-Nur and Pvt Ibrahim 'Abd-al-'Ati who poured ice water over his naked body and administered electric shock and electric burning.

Isma'il Muhammad Rifa'i (defendant No 174) was left paralyzed and unable to talk as a result of being tortured by Maj Gen Fu'ad 'Allam and Brig Gen Muhammad 'Abd-al-Fattah 'Umar from the time of his arrest, 21 October 1981, until he was brought before the court in December 1982, and taken to the police hospital for treatment.

In addition, court records also include about 100 reports confirming the perpetration of crimes of torture against these and other defendants. One such report concerns defendant Isma'il Muhammad al-Rifa'i who was subjected to battery with electric cables and to hanging by his wrists, which were tied behind his back, thus suffering paralysis in his upper extremities that required treatment at the police hospital and the Qasr al-'Ayni Hospital. He was also beaten on the head, which left him mute and paralyzed in his right lower extremity. The forensic medical report, issued on 10 April 1983 and signed by Dr Ibrahim Muhammad Salim, deputy chief medical examiner, and Dr Mahmud Sami al-Hafni, assistant chief medical examiner, confirms the defendant's injuries and disabilities.

Letting such crimes go unanswered is a true and constant aggression against the freedom, dignity and safety of the Egyptian citizen.

So, will the state organizations undertake some kind of action:

--The president of the republic who has before him for approval the al-Jihad case judgment and opinion, he who is so vigilant in "emphasizing people's sovereignty and respect for the constitution and the sovereignty of the law and

compliance with the boundaries separating the different authorities," according to the provisions of the constitution.

--The cabinet, which has the executive power and under which comes the interior minister, and some of whose leaders are under indictment for crimes of torture, to discipline the convicted and drop these charges against those acquitted.

---The supreme judiciary council and the prosecutor general, who receive the defendants' accounts and the court ruling and who are responsible for conducting investigations and bringing criminals to trial.

--The People's Assembly, which has been aware of the particulars of this crime for over a year and which possesses the power to call the government to account when it is lax in punishing criminals.

Finally, will the democratic, political and popular organizations and the human rights organizations move to put an end to torture, or will apathy and passivity engulf them, too?

#### Mistreatment of NPUG Members

Cairo AL-AHALI in Arabic 21 Nov 84 p 3

[Article: "And The Left Also: Torture in al-Marj Prison and the GDSSI Building and Threats of Transfer to Military Prison"]

[Text] At the same time and in the same places where those charged with belonging to the al-Jihad Organization and the Islamic groups were being tortured, Grouping Party leftist members and others, accused of belonging to Marxist organizations that do not practice any form of violence, were also being subjected to torture.

In December 1980, the NPUG civil liberties defense commission received the following documented letter published in 1982 in book form by the Grouping Party under the title, "Democratic Freedoms and the Emergency Laws." The letter says:

"We were arrested on 8 October 1981 along with a large number of leftist detainees. We were thrown into Turrah Penitentiary where we were crammed 25 persons to a cell not big enough for 10 people and under unsanitary and inhumane conditions that caused the death of prisoner Jabir Burayqi on 20 November 1981 at Turrah Penitentiary as a result of gross negligence and failure to attend to his coronary attack in time. Since State Security Investigations has had the major influence in determining the kind of treatment inside the prison, taking advantage of the state of emergency declared in the country, it ordered the holding of reception parties for many prisoners that included violent beatings, head shaving and stripping prisoners of their clothes and medicines. Not satisfied with all this, it began transferring the prisoners to the al-Marj or the New Citadel [al-Qal'ah al-Jadidah] prisons and to the solitary torture prison.

"It began with the transfer of poet Hamdi 'Id on 19 November, followed by accountant Sayyid 'Abd-al-'Al on 24 November, [then] student 'Umar

'Abd-al-Muhsin on 28 November, and student Muhammad Rida Mabruk on 29 November. They were preceded by the transfer of engineer Hamdi 'Abd-al-Hafiz, an armed forces reserve officer draftee, from the Isma'iliyah intelligence building to State Security Investigations and then to the al-Marj prison on 11 November 1981. State Security Investigations began torturing us individually immediately upon our arrival in an attempt to force us to give and approve false testimony in order to trump up charges against us and other prisoners, using the ugliest forms of torture, from electric shock to intense flogging with whips, sticks and wire cables to suspension by the legs and arms in severe weather and threats to transfer us to the military prison, alleging that they had orders to shoot us if we did not accede to their allegations and lies. All this was done while we were blindfolded and our hands tied behind our backs and went on for many long days until our health began going down and some of us were on the brink of death, especially since the prison doctor refused us any kind of treatment at GDSSI orders.

"Following our success in leaking our facts about the incidents of torture and the mediation of a number of agencies and personalities interested in cases of [free] opinion and democracy, headed by NPUG secretary general, Mr Khalid Muhyi-al-Din, we went on a hunger strike, along with students Zayn Ahmad and al-Husayni Qasim, who were arrested after their release in accordance with official reports No 706 of 1979 and No 525 of 1981. They were tortured for a week at the GDSSI building in Lazughli [Street] before being transferred to Turrah. The prosecution came to Turrah on 21 December when the torture incidents and injuries were recorded in Ma'adi administrative official reports Nos 46 and 47 for 1971. The medical report requested by the prosecution confirmed these injuries, and we filed complaints with the prosecutor general and hired attorneys to file court actions against the GDSSI and the al-Marj prison warden.

"We implore you to defend our rights in the face of this vicious attack on our most fundamental political and human rights waged by the GDSSI in an attempt to justify keeping the leftists in prison as long as possible. We also implore you to work for the immediate release of all political prisoners, the cancellation of the state of emergency, the repeal of freedom-restricting laws and the investigation of torture incidents against all prisoners of various political orientations so that such incidents may not be repeated."

[Signed] Hamdi 'Abd-al-Hafiz, Hamdi 'Id, Rida Mabruk, Muhammad 'Abd-al-Muhsin Khalil, Sayyid 'Abd-al-'Al Mustafa, Ahmad Fathi Ahmad and al-Husayni Ahmad Qasim.

#### Demands for Eliminating Abuses

Cairo Al-AHALI in Arabic 21 Nov 84 p 3

[Article: "So That The Crimes of Torture Will Not Be Repeated"]

[Text] We demand:

--The removal of Maj Gen Hasan Abu Pasha from his post as minister of local government until the investigations are over. Also, the removal of Maj Gen Zaki Badr from his position as governor of Asyut.

--The suspension of the Turrah Penitentiary district director, the Istiqbal prison warden, the al-Marj and Citadel prisons wardens and officers during the years 1981, 1982 and 1983 and the GDSSI director and his aides during this same period who were mentioned in the defendants' accounts until the investigations are over.

--An order by the president of the republic to bring the defendants to disciplinary trial immediately.

--Prompt questioning by the prosecutor general of Maj Gen Nabawi Isma'il and the police officers and enlisted men named in the torture offenses and bringing those indicted to a speedy criminal trial.

--Referring the doctors who witnessed the torture in the prisons, or who participated in it or failed to report it, to the doctors syndicate disciplinary board.

--The issuance of a law placing the Egyptian prisons under the judicial authority to free them from security agencies' control.

--Making solitary confinement a crime, and bringing prisoners to the judicial process immediately upon arrest, affording their lawyers, relatives and doctors contact with them immediately and regularly and banning imprisonment or detention in secret places.

--Offering financial compensation for the victims of torture and their dependants and providing medical care and rehabilitation for them.

--Punishment of any government or general prosecution employees who cover up crimes of torture.

--A fact-finding committee, made up of political parties, lawyers, journalists and doctors unions, and human rights and civil liberties defense organizations, the findings of which to be published in all the various mass media.

12502

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MOROCCO

SMILI ON NEW MARITIME CODE

Casablanca LA VIE ECONOMIQUE in French 30 Nov 84 p 3

[Interview with Bensalem Smili, minister of ocean fishers and merchant marine by Mohamed El Amine Palamino; date and place not specified]

[Text] We are aware of the importance government authorities attach to a better utilization of our fishing resources. A new maritime code is being prepared for that purpose. To learn more about it, LA VIE ECONOMIQUE visited Mr Bensalem Smili, minister of ocean fisheries and merchant marine, who was kind enough to grant us the following interview:

[Question] Mr Minister, you have decided on a short and mid-range strategy within the scope of the efforts you are making to develop the ocean fisheries and merchant marine sectors.

Forming the maritime code is included in the basic elements of that mid-range strategy. What reasons led you to do this forming, Mr Minister?

[Answer] First of all, it would be advisable to make it clear that the maritime sector, particularly the merchant marine and the ocean fisheries, continues to be governed first, by the maritime code of 1919, to which different conventions have been added, and second, by the November 1979 dahir establishing fishing regulations.

Because it is so often out of date or not suitable to the current situation, current legislation is thus obsolete.

It is within this framework that the revision of these laws, will be grouped into three parts. The first part deals with aspects of the merchant marine and comprises three sections: the seamen's statute, the ship's statute, and one covering merchandise. The second part governs technical and socio-economic aspects of fishing activities, and the third introduces entirely new measures concerning the ocean environment, particularly problems of conservation and the struggle against pollution.

[Question] Mr Minister, we note that in the second part there is no mention of seamen or ships.



[Answer] That is correct, but that is not my omission since this aspect is dealt with in the first part. Seamen and ships, as well as the ocean environment, furthermore, constitute a common branch. Thus, since it is understood that a maritime code, despite the division into books and volumes, is after all a homogeneous instrument, we have deemed it useful not to encumber the legislation with distinctions which would have led to repetitions.

[Question] Mr Minister will you tell us what new elements are in the legislation?

[Answer] On the merchant marine level, it is more an integration of international conventions which we have signed, rather than new elements.

On this level the effort was directed toward an up-dating, but at the same time an addition was made to the legal system governing maritime transport.

Concerning ocean fishing, the new elements are substantial specific reasons.

The 1973 regulations were drawn up at a time when problems of over-exploiting were not so acute as currently. The prevailing view at that time thus could only be the view where an increase in fishing activity predominated.

With the new law of the sea convention and the evolution of fisheries during the past decade, when we witnessed the spectacular collapse of certain fishing stocks, problems of management and preservation of the resource became the most important concerns of coastal states.

That is why the great innovation of fishing legislation is the beginning of a development plan permitting a rational management of resources to preserve them for future generations.

Finally, concerning the third part, it is a new effort aimed at safeguarding the maritime environment by preserving it from the ever increasing dangers of pollution in all its forms.

[Question] Mr Minister, you mentioned a fisheries development plan. Could you tell us about it?

[Answer] It is a triennial development plan drawn up on the basis of available scientific data. This plan, which can be revised in terms of the growth of the economic as well as the biological situation, is based on authorized fishing activity in Moroccan waters.

In sum, this plan is a kind of guardrail needed for the normal restoration of the resources, but at the same time it provides the administration an objective criterion in the granting of authorizations to new fishing units and a means for a better geographic distribution of fishing activities.

[Question] One last question, Mr Minister. Could you tell us the current status of the work under way?

[Answer] The first and second parts have been finished on the legislative level.

Currently, we have begun the regulatory phase. We hope to finish before the end of 1985.

It is important to note that this work has been going on for nearly 2 years and if we have reached this stage, it is thanks to the perseverance of the different committees which have been hard at work, and to the valuable contribution of the representatives of all the interested ministries, who are, furthermore, on these committees.

9772

CSO: 4519/61

MOROCCO

## OUTLOOK FOR YEAR 2000

Casablanca LE MATIN DU SAHARA in French 20 Dec 84 p 1

[Article by Ahmed Alaoui "Objective for the Year 2000: Self-sufficiency"]

[Text] At a time when the next economic and social plan is being drawn up, and regardless of its ultimately agreed length, the principal concern today is to fix an objective for the year 2000 and, once that objective has been clearly set forth, to fulfill it in successive steps within the framework of a 15-year planning period.

In some ways a real count-down should be started to attain this objective.

A real philosophy is involved here, since it has been noted that when an objective is set forth, and the decision to reach it has been issued, a choice has been made which will have a galvanizing effect since it will be clearly pointed out for the attention of all. From that time on the essential aspect will prevail without being distracted by subsidiary, secondary considerations.

This long-term planning is alone able to provide the needed mobilization of the nation and all citizens.

Just as independence, under the Protectorate, and then later on, the defense of our territorial integrity, constituted objectives which brought and continue to bring the nation together, it is important to fix objectives that are just as vital for future generations.

Moreover self-sufficiency is the other side of independence; without it independence becomes illusory. Security and defense of the territory require absolute self-sufficiency in food and in culture while relative self-sufficiency in industry, technology, and energy are required.

A general awareness of this subject is needed, the more so since most people generally perceive the notion of a plan abstractly. A plan can be concretely grasped by decision-makers, economists, intellectuals, and industrialists but that is not the case for the majority of people. To sensitize them, to motivate them, there must be simple and concrete objectives for them. We have already stressed the importance of the commitments for the year 2000. According to projections made by the

Directorate of Statistics of the Ministry of Planning, which we are also publishing, there will be nearly 34 million Moroccans in the year 2002, and that is only a moderate estimate. More than 19 million of that population, or 65 percent of the total, will be made up of young people from 0 to 24 years of age. That is a basic fact.

In fact it is demographic reasons, taking the population growth into consideration each year, which force us to define these objectives and this 15-year planning. It goes without saying that to avoid any sharp crisis, the rate of economic development should be greater than the rate of demographic growth. If the population increases by 2.7 percent per year the gross domestic product should show a greater growth rate than that figure.

That is another basic fact.

Furthermore, fundamental financial equilibrium must be preserved. However, as we have seen, currently our balance of trade, our balance of payments, and our budget are in deficit. However, one of the heaviest costs in the trade balance is constituted by importation of foodstuffs. These importations must be reduced, by working without respite for self-sufficiency and for self-sufficiency in food in particular, because not only will it permit reducing costs which have until now been increasing, it will also permit exporting.

In a word, the agricultural problem is posed, and also that of industrial production and developing our production potential, in order to reduce our imports to a maximum and even to export, notably by manufacturing locally, all that can be produced.

A sustained effort should be undertaken in the field of oil prospecting, gas, and in the field of renewable energies. On the cultural level the training of cadres and vocational and technical training must be considerably developed.

In this way, 15 years from now, in the year 2000, the country mobilized for this great task, will attain the first objective needed for this Morocco of 34 million inhabitants: self-sufficiency.

The figures below, drawn up by the Ministry of Planning, summarize by age bracket the development of the population of Morocco and constitute one of the essential, basic elements of data for use in planning.

It will be noted that in 2002 the population will be young for the most part since those over 25 represent only 35 percent of the total. It will be recalled that in 1982 the population numbered 20.338 million inhabitants.

AGE	1987	1992	1997	2002	2007
0--4	3,737,000	4,062,000	4,227,000	4,524,000	4,798,000
5--9	3,061,000	3,651,000	3,987,000	4,116,000	4,474,000
10--14	2,811,000	3,044,000	3,634,000	3,973,000	4,155,000
15--19	2,511,000	2,794,000	3,030,000	3,621,000	3,961,000
20--24	2,209,000	2,491,000	2,776,000	3,014,000	3,606,000
25--29	1,918,000	2,187,000	2,470,000	2,757,000	2,998,000
30--34	1,541,000	1,896,000	2,166,000	2,451,000	2,740,000
35--39	1,080,000	1,519,000	1,874,000	2,145,000	2,432,000
40--44	831,000	1,061,000	1,497,000	1,851,000	2,125,000
45--49	834,000	812,000	1,040,000	1,471,000	1,823,000
50--54	751,000	806,000	789,000	1,013,000	1,437,000
55--59	620,000	716,000	772,000	758,000	978,000
60--64	490,000	576,000	669,000	726,000	718,000
65--69	378,000	443,000	516,000	606,000	665,000
70--74	263,000	310,000	368,000	436,000	520,000
75--79	163,000	186,000	224,000	272,000	330,000
80 and over	70,000	74,000	87,000	108,000	135,000
Total:	23,279,000	26,639,000	30,126,000	33,892,000	37,893,000

9772

CSO: 4519/62

AFGHANISTAN

COOPERATION AGREEMENT IN HIGHER EDUCATION SIGNED WITH USSR

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 15 Dec 84 p 3

[Text] A protocol of cooperation was signed yesterday in Kabul between the Ministry of Higher and Vocational Education of the DRA and the USSR's State Committee for Vocational Training.

The protocol was signed on the Afghan side by Comrade Burhan Ghiasi, Minister of Higher and Vocational Education and on the USSR side by Vasily Griek, deputy chief of the country's State Committee for Vocational Training, who is visiting Afghanistan at the head of a delegation.

The protocol calls for the establishment in the DRA within the next 5 years of 10 vocational training schools in addition to the current 8 such centers, with part of the cost being in the form of grants and part financed by Soviet credit.

A source at the Ministry of Higher and Vocational Education said: Once the 10 new technical-vocational training schools are established, the number of students attending such schools will increase from 1,500 to 6,000.

The source said: In planning for the establishment of the technical-vocational schools, needs in special fields such as oil and natural gas exploitation in Sheberghan, weaving in Kandahar, farming in Herat and motor maintenance needs in Kabul have been taken into view.

Moreover, in addition to the abovementioned protocol, 2 agreements and 3 supplementary documents concerning the updating of equipment of present training schools in the DRA were signed by Comrade Burhan Ghiasi and Petrov, commercial attaché of the Soviet Embassy in Kabul.

According to the signed agreements and documents, present technical-vocational schools will get equipment to the value of 1.5 million rubles.

5854  
CSO: 4665/17

AFGHANISTAN

SOVIETS REPORTEDLY BOMB, KILL 570 VILLAGERS

Tehran TEHRAN TIMES in English 19 Jan 85 pp 1, 3

[Text]

ZAHEDAN, Sistan Baluchestan Province, (Dispatches) (IRNA) -- The Afghan Moslem Mujahideen fighting the Soviet-backed regime of Afghanistan, blocked the Jaji Pass in Paktia Province and inflicted heavy casualties and damages on a military convoy of the Soviet and government forces in a recent operation.

An Afghan soldier who was wounded in this operation said that a large number of the Soviet and government forces were killed and wounded and 80 soldiers surrendered to the Mujahideen with their weapons.

He further said there was widespread defection in the military garrisons and added that most Afghan soldiers who are forced to serve a four or five-year term, flee after a few months and join the Mujahideen.

He also said Afghan soldiers were living under difficult conditions and once wounded, they were left unattended.

A report from Islamabad said the leader of the Islamic Party of Afghanistan, Golbeddin Hekmatyar, said Wednesday in Peshawar that the Soviet bombardment of the villages of Garave and Issa Khil in Qandoz Province has

resulted in the martyrdom of 570 of the inhabitants.

He further added that Soviet bombardment was in retaliation for the attack of the Afghan Moslem Mujahideen on government forces supply units in the region, when a high ranking Soviet officer was killed and two tanks were destroyed.

An informed Afghan Mujahideen source added that in a recent operation against the Soviet and government forces in the Takhar Province, the Mujahideen downed one helicopter and destroyed two tanks, killing their crew.

Meanwhile, Soviet forces began an airborne assault to free Afghan government forces besieged by Mujahideen forces in an eastern district bordering Afghanistan, a Western diplomatic report said Thursday.

Fighting flared anew in Kabul this week, said the dispatch from the Afghan capital. It said three of the 20 rockets fired by insurgents at government targets landed in President Babrak Karmal's palace compounds.

"It was not immediately known if the rocket blasts caused any casualties or damage to the palace, the

report said, adding that presidential aides sought emergency help after the nighttime attack.

The dispatch, read to reporters by a New Delhi-based diplomat who cannot be identified by name or nationality under briefing rules, said the Soviets had launched a new offensive to end the guerilla siege of Chamkani 100 kilometers (60 miles) southeast of Kabul.

The Moscow-backed Kabul regime, admitting that a number of Afghan soldiers and villagers have been killed in the Chamkani fighting, accused Pakistan of sending 16 truckloads of militiamen to the area in support of the rebel attack.

Western diplomats earlier said the Mujahideen guerillas overran nine military posts in Chamkani region in heavy fighting with Soviet and Afghan forces. The 55th Afghan brigade remained under guerilla siege in the town of Barkot, they said.

About 11,000 additional Soviet troops reportedly have been deployed to seal off Afghanistan's borders with Iran and Pakistan following renewed raids by insurgents operating from across the frontiers.

AFGHANISTAN

REPORTING ON RESISTANCE IN NORTH

Paris LES NOUVELLES D'AFGHANISTAN in French Dec 84-Jan 85 pp 9, 10

[Interview with Alain-Guillo, date and place not specified]

[Text] [Question] Is it hard to get to Mazar-e-Sharif?

[Answer] I had left Quetta by jeep, headed for Hazarat. Skirmishes among Harazai prevented my going by way of Behsoud, so I had to cross the mountains on foot. By the time I got to Waras, I had nobody with me but my interpreter, but I had no difficulty in reaching Mazar-e-Sharif on horseback. Actually, it is possible to get there in less than 3 weeks, but that is assuming that you are accustomed to traveling on horseback. Physically, it is not too hard.

[Question] Which are the most dangerous areas?

[Answer] The dashts, the plains like those of Gardez, that you have to cross by night. Otherwise, you can go out on your own without a Mujahidin escort. As a general rule, though, I think the danger is greater than in the past because the Soviet intelligence forces are better informed than they used to be, especially in the north.

[Question] What were your plans in Mazar?

[Answer] I had an accident along the way: My interpreter was kicked in the knee by a horse, so once I reached my destination, my first concern was to get him to a doctor. I stayed for a fortnight a little to the south of Mazar, at a dispensary run by Doctors Without Borders. I made a film of them at work.

My next encounter was with Zabiullah, regional chief of Jamiat-e. Then I went to see the people at Harakat, and, lastly, I went to visit friends who have a farm there. This is the third year in a row that I have visited the region, and I have a lot of friends there.

At the end of my stay, I went to film bombing raids in a valley some 60 kilometers away that has been under constant bombardment.



## Conflicts Within the Resistance

[Question] What changes did you find this time, as compared with your earlier visits?

[Answer] In 1982, the black sheep of the resistance groups was Hezb-e-Islami. Their leader, who was a well-known engineer highly respected by the other groups, had just been killed, and Hezb-e-Islami had sent a small group of replacements, young imbecile transplants to whom the other resistance men took a dislike. Last year, things were looking better and the civilian population was pressing the military leaders to put together a general agreement, if they expected any more help. That took the form of joint action, such as combined attacks on convoys. One example was the destruction of a government building at Shulgar, in which all the groups in the region participated: Harakat-e-Enqelab, Jamiat-e, Hezb-e-Islami, Nasr, Harakat-e-Islami... This year, though, the Jamiat-e and Harakat were shooting at each other.

[Question] How did things come to such a pass?

[Answer] Zabiullah went to Panjshir last winter. On his return, he launched a systematic plan to settle his men among the civilian population. It must be said that after two successive Soviet offensives in 1983 and 1984, Zabiullah had to abandon his headquarters at Tang-e-Marmul some 20 kilometers as the crow flies from Mazar-e-Sharif. He then decided to settle somewhere a little farther away. To assure himself a solid base, he tried to get control of the entire population of the region, as Mas'ud had done in the Panjshir. The problem is that the Harakat group has deep roots in that area. Zabiullah's political proselytizing was beginning to annoy some of the Harakat leaders. Besides, the Shulgar region is peopled mainly by Uzbeks, and there are two clans of them who have been at war for many years. One is Jamiat-e, the other Harakat. And so their differences degenerated into an inter-party war.

On one side, Jamiat-e is a centralized party with a single chief who gives instructions to a middle echelon (the committees). There is party discipline. On the other, there is a clique of mullahs with their hangers-on. No chief is really powerful, but you can point to a score or so of "malawi," which makes the decision-making process more complicated, particularly since the leaders do not appear to have complete control over their subordinates. The traditional pattern of this organization means that, in fact, every decision must be taken in council (shura). Until a decision is reached, everybody does whatever he likes.

When the first clashes between Uzbek clans broke out, Zabiullah asked his commanders to avoid taking sides. On the Harakat side,

there was a quasi-tribal reaction that involved some very large Uzbek groups, right up to the level of the malawi Osman, who holds a very important position.

[Question] Were there any attempts at conciliation?

[Answer] Yes, there were. The other groups (Hezb-e-Islami, Hara-kat-e-Islami, Nasr, the Sayyaf groups) tried to patch things up. Zabiullah and malawi Osman met; there was, however, something of an instinctive personality conflict between Zabiullah, who is a 30-year-old intellectual with political background, and the malawi, a traditional leader respected for his social position and the antiquity of his family tree. Even so, things did simmer down a bit. Whether it was Zabiullah or the malawi Osman, everybody said: "It's not in our interest to fight among ourselves; that only helps the Soviets. These clashes among little groups are instigated by the Soviets who pay some Afghans to be agents-provocateurs." I believe that is true. Besides, it makes perfect sense. The problem is maintaining control over the rank-and-file resistance. I am sure neither Zabiullah nor the malawi Osman wants war, but both are stymied by their troops' wanting to settle ancestral scores of their own.

#### Resistance Fighters Gaining Professional Savvy

[Question] How does the military situation look, vis-a-vis the Soviets?

I wandered about quite a bit in this region, as in previous years, which is to say that the Soviets do not control the ground. In spite of the military posts they have established, you can travel anywhere without getting the impression that the Soviets have been getting anywhere these past 2 years. They did score one point, though, when they forced the resistance to pull its headquarters (markaz) out of Mazar. The Mujahidin had to re-group, keeping fewer men in the various markaz, and forming more commando units. The Soviet escalation has been matched by resistance adaptation. It should also be noted that there is more coordination among the various Mujahidin groups than there used to be. Because of their conflict, the Jamiat-e and Harakat have put some distance between their operational sectors. When Jamiat-e attacks a post, it always works with elements from Hezb-e-Islami. For that matter, Hezb is cooperating with everybody these days. Also involved are elements from Nasr, from the Fedayin, and Sayyaf partisans. With Harakat you find groups of Mujahidin from Khales, some Harakat Shi'ites, and also from Hezb.

Besides, the Mujahidin are better armed these days, particularly in unit weaponry. There are enough Dashakas to beat off the helicopters. These days, the Soviets bomb from high altitudes, whereas 2 years ago they dove with impunity at the particular house they wanted to destroy. On the other hand, the Soviets are now

using MiGs, which are far faster, and which the Dashakas cannot fight off. There is also an increase in numbers of mortars and recoilless cannon. However, there are still no missiles, which are the only effective weapons against the MiGs.

It is a fact that the resistance forces, no matter what group they may belong to, are growing more professional. They have a lot of years of experience behind them, and the ones who showed no talent for combat have been assigned to other duty or gone home. Right now, the heaviest resistance losses -- aside from civilian casualties -- occur during Soviet-Afghan operations designed to capture resistance leaders, particularly when they go to visit their families.

[Question] Is there any resistance infiltration of government troops?

[Answer] Yes. There is also a sense that there is communist infiltration of the resistance, and at the same time that the resistance has totally penetrated the government's army and its institutions, to the point where the Soviets have taken over direct control; they never tell the Afghans of their decisions until the very last moment, when they need them. If they let any Afghans in on an operation, word would be out within the hour. At present, military headquarters for the entire region is in Tashkent, having been pulled out of Mazar. Operational decisions are all taken at Tashkent. The Soviet commanders of Afghan army units arrive with operation plans in their dispatch cases and order their Afghan subordinates to be ready to roll at such and such an hour with such and such equipment. In practice, it is seldom before they are within sight of the target that the Afghan unit leader is told what he is to do.

[Question] There have been rumors of resistance action in the USSR.

[Answer] Some Mujahidin -- Turkmen -- have made forays as far up as the Amu Daria, but that is a mighty river with a very swift current, and the resistance men cannot reach the far bank. However, there have been some actions in Soviet territory around Andkhoy, further west.

#### Intensive Bombing

[Question] Have you actually witnessed bombings?

[Answer] Yes: I wanted to get some footage of them, and I decided to go to the Shulgar region, because I had been told that in 60 days it had sustained 50 bomber attacks, sometimes with two or three waves the same day, involving anywhere from four to 40 MiGs. The main targets were Jamiat-e controlled zones. And in

fact, when I was a 6-hour walk away from Shulgar, I could already hear the jets bombing. However, the bombing ceased as if by magic on my arrival. That evening -- none. Next day -- none. For the next 10 days -- none. It felt as if the Soviets knew that I was there and didn't feel like dropping bombs in the presence of a witness. As soon as I left, when I was no more than 8-hours' horseback ride from Shulgar, I heard the jets going over, heard the bombs hit again. So I decided to do an about-face; I rode back in the dark of night, and took up a position near a place where the resistance had mounted a harassing action aimed at the one remaining post in the region. Next morning the bombing was extremely heavy over the entire neighborhood where I was, hitting mainly houses: half the roof of the house I was in was shattered.

I conclude from this that the Soviets have honed their intelligence procedures somewhat. The fact that the bombing was halted on the day of my arrival might have been sheer coincidence, but certainly a message had gone out very quickly to the air forces, ordering them to suspend bombing until further orders.

[Question] You still can't rule out coincidence! Are the bombs having any effect on the local population?

[Answer] Yes. The regular bombing wears down the civilian population, whose morale is already low. Whereas there used to be few refugees leaving this region, you now see whole caravans of people fleeing to Pakistan or Iran.

6182

CSO: 4619/25

AFGHANISTAN

BETTER MEDICAL SERVICES TO BE OFFERED

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 25 Dec 84 p 4

[Text] The workers and personnel of the Office of Pharmacy Management Affairs have been able to achieve 108.91 percent of their target goals set in the plan for the first 5 months of 1363 [21 March 1984-22 August 1984]. Quoting the director of planning of the abovementioned office, our correspondent reports that in the above period the production goal for pharmaceuticals had been set at a value of 18,044,630 afghani but the output of the abovementioned office had come to 19,652,804 afghani-- a 108.91 percent of the goal set by the plan.

Under the plan, imports of consumer medical supplies were achieved according to target. The plan of the office had called for the availability of pharmaceuticals and various medical supplies for the country's health care centers and those in need, in wholesale form from central stocks and in retail form through government pharmacies in the capital and the provinces, to the value of 237,650,000 afghani but according to a survey the total money involved in making such supplies available came to 282,859,898 afghani, 119.02 percent of the targeted amount.

Insofar as expansion plans were concerned, in the past 5 months, as a result of effective contacts with Kabul Municipality, plots of land were made available for the building of 3 government pharmacies planned specifically for the Kheyrkhana Mina sector. Construction of those will be completed soon. Moreover, the new plan for Vazirabad calls for the establishment of a government pharmacy in the shopping center there. Regarding the establishment of government pharmacies in the provinces of Wardak, Farah and Paktia, the source said: Construction of the government pharmacy in Wardak is almost finished and it will begin to serve the public soon. In Farah Province construction of a pharmacy has been completed and technical personnel and needed pharmaceutical supplies sent there. However, construction work on the government pharmacy in Paktia Province is not yet finished because of a lack of skilled personnel but the plan calls for completion of it by year's end [20 March 1985].

The source added: The main work of our office is to make available drug supplies to government medical organizations throughout the country and to take care of the needs of the noble people of the nation in the pharmaceutical

marketplace. In order to achieve the abovementioned goals, the work of this office also includes the production of some drugs in the institute's laboratories, the import of items not made in the country, and the supply of local manufactured and imported pharmaceuticals to government health organizations and to the country's pharmaceutical market.

[Photo caption - photo not reproduced] Researchers and experts of Kabul University's School of Pharmacology seek to improve the import, local manufacture and marketing of drugs needed by the people. According to international norms, the local manufacture of pharmaceuticals in our country has expanded and developed in recent years.

5854

CSO: 4665/17

IRAN

## IRNA REPORTS ON IRAN-JAPAN BILATERAL TIES

Tehran TEHRAN TIMES in English 14 Jan 85 p 1

[Text]

**TEHRAN (IRNA)**— Wasuke Miyake the visiting Director-General for African and Middle Eastern countries at the Japanese Foreign Ministry yesterday met and conferred with Dr. Ali Akbar Velayati Foreign Minister of the Islamic Republic of Iran. At this meeting the Japanese official conveyed a message to Dr. Velayati from his Japanese counterpart.

The Japanese Foreign Minister Shintaro Abe, in his message, stressed the need for further expansion of mutual ties between the two countries specially in political, economic and cultural fields.

The Iranian Foreign Ministry told Miyake that because of their ancient civilization and mutual understanding, friendly relations between Iran and Japan could grow deeper. He also stressed the importance of technical and industrial cooperation between the two countries.

Earlier reports say Iran Saturday briefed the visiting Japanese Foreign Ministry official on the recent Iraqi violation of the June 12 agreement on halting attacks against civilians.

Deputy Foreign Minister Hussein Kazem-Pour Ardebili also spoke on Iraq's refusal to return two Iranian passenger planes hijacked to Baghdad and Iraq's use of chemical weapons in a meeting with the Japanese Director General for Middle East and Africa, Wasuke Miyake. On talks on bilateral ties, both officials expressed a desire to further expand trade, oil and economic relations.

The Japanese officials arrived in Tehran on Friday.

A late report says Miyake left Tehran at the end of a three-day official visit here yesterday.

Before his departure, Miyake said Japan had no intention to mediate in the war between Iraq and Iran.

"Japan has stated its position on this matter (war) in the past and it has never had the intention" to mediate, he said.

The Japanese official expressed pleasure at his visit and noted that during his stay, he had discussed various topics in relation with the Iraq-Iran war with the Iranian officials.

He said during talks, the Iranian officials explained Iraq's violation of international conventions and its deployment of lethal chemical weapons against the Iranian troops as well as its bombardment of residential quarters in Iran.

Miyake also said Iran and Japan were to expand their relations in other areas involving closer collaboration between the private sectors in the two countries.

In his talks with the Iranian officials, Miyake discussed topics in relation with the exchange of experts in technical and sporting fields.

CSO: 4600/236

IRAN

## ALL GULF WAR MEDIATIONS SAID FAILING

Paris LE MONDE in French 1 Dec 83 p 8

[Article by Eric Rouleau]

[Text] Kuwait -- The secret deliberations, during the fifth summit of the CCG (Gulf Cooperation Council), which met between 27 and 29 November, was well kept. The sovereigns of Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates had gathered in a hotel to which journalists were not given access. Infantry units, commandos, tanks, and even AA batteries surrounded the compound in which the summit was being held.

Rare press conferences by Kuwaiti officials nevertheless did make it possible to figure out the various questions on the agenda. There is no doubt that the Iraqi-Iranian war continues to worry countries in the region for at least three main reasons: if attacks on tankers sailing in the Gulf, were to be stepped up, this would introduce the risk of cutting exports and therefore also the earnings of the producing countries; the conflict between "Shi'ite Iran" and "Sunnite Iraq" threatens the cohesion and stability of neighboring states where citizens belonging to both Islamic communities live together; the members of the CCG, who have already given Iraq \$50 billion to support its war effort, would love to get rid of this burden.

The heads of the six Arab states in the Gulf have been able to record only the failure of all mediation missions which they carried out collectively or individually, as well as those undertaken by the UN, by the Organization of Islamic Conference, and the nonaligned countries. For lack of anything better, they decided to pursue their efforts to get Iran to renounce its main objective, the overthrow of the Iraqi regime, and to accept a compromise.

In the meantime, various measures were taken to guarantee the security of the CCG member states. According to the vice chairman of the Kuwaiti council, Sheikh Sabah, a "rapid deployment force," under unified command, would be ready to intervene "at any moment" to respond to a possible "foreign aggression." It was learned from a semi-official source that the two battalions organized for this purpose are being stationed on Saudi territory.



Certain foreign observers however estimate that this force has more of a symbolic rather than an operational value. The Gulf states as a matter of fact are inclined to manifest their determination to guarantee their own defense themselves while three of them -- Oman, Bahrain, and Saudi Arabia -- gave the United States bases or substantial military "facilities."

No information leaked out on the project for the "homogenization" of the armament of the member countries which are supplying themselves regardless of source and in a manner judged to be rather confused, especially in the United States, in France, and the United Kingdom. Only Kuwait, to whom Washington refused to deliver Stinger AA missiles, approached the Soviet Union but reserved the lion's share of its purchases for France: last year the principality purchased French military equipment for a sum of Fr 4.7 billion, representing more than 90 percent of its shopping list.

Disagreements among the arabs were brought out into the open as indicated by the declaration published at the end of the conference. Apparent neutrality was observed with regard to the conflicts between Syria, on the one hand, and Iraq and the PLO, on the other hand. But Mr Yasir 'Arafat obtained full satisfaction since the heads of the Gulf states renewed their "support for the legitimacy of the PLO as the only representative of the Palestinian people." The disavowal of the dissident organizations of fedayeen, as well as their Syrian protector, is implicit but clear.

The conference's final declaration did not even list the possibility of convening an Arab summit which was to have met in Riyadh this month. The participants thus confirmed the general conviction that the disagreements, especially on the question of the possible return of Egypt to the Arab League, are too hot to permit such a meeting. Judging by the extreme discretion observed by the members of the CCG, it seems that the deliberations in the end did not lead to any major decision.

5058

CSO: 4619/16

IRAN

MAJLIS SPEAKER LAUDS ROLE OF FEDAYEEN-E ISLAM

Tehran TEHRAN TIMES in English 17 Jan 85 p 1

[Text]

TEHRAN (IRNA) -- In a meeting with a group of visiting members of Fedayeen Eslam here Tuesday, Majlis Speaker Hojjatoleslam Hashemi Rafsanjani paid tribute to founders of the group, Nawab Safavi, and Vahedi and others as forerunners of a first Islamic Militant movement during the toppled Shah's time who were bold enough to meet head-on the un-Islamic practices deliberately introduced and fostered in Iran for a period of more than 50 years of monarchy.

Rafsanjani sharply criticized the lay opposition and other influentials in those days for having conducted a campaign against the religiously-minded opposition in Iran and for upholding policies and practices detrimental to the good of the nation.

The Majlis Speaker also paid tribute to theologian and political activists Ayatollah Kashani as another character inspired by the aspirations of the Fedayeen Eslam.

He said the founders of the movement had demanded, nothing extraordinary from the

ruling government other than respect for at least certain basic principles of Islam by the government and statesmen including observance of the 'Hijab' the proposition of which he said did not please the statesmen and the so-called lay-intellectuals of the day "since the wives and girls of many of them would not observe the Hijab."

Rafsanjani said that theological schools throughout the country are highly indebted to the founders of the movement since they had inspired theologians and theological students with the idea of an active disobedience against the un-Islamic social norms in Iran.

He also paid tribute to them as a people who had laid the first corner stone of the Islamic Revolution in Iran and called on members of the movement to "keep ever lit the candle kindled by the Fedayeen of Islam."

A group of five founder members of the Islamic Militant movement "Fedayeen Eslam" were executed on January 11, 1957.

IRAN

## WEST AZERBAIJAN'S RECONSTRUCTION ACTIVITIES DESCRIBED

Tehran SOBH-E AZADEGAN in Persian 10 Dec 84 p 14

[Text] Orumiyyeh, SOBH-E AZADEGAN reporter: This year, with 9,500 million rials in funds, 959 developmental projects were implemented throughout West Azerbaijan Province and thus far, 65 percent of the allotted funds have been paid by the government and used for developmental projects.

In a press conference, announcing the above statement, Engineer Tasalloti, developmental deputy governor general of West Azerbaijan, added: Of the anticipated projects, 234 were implemented in the cities and 725 in the villages, which shows the general policy of this province to develop the villages. Pointing out that of the implementary projects, the creation of 132 educational projects, 278 km of roads, 152 organizational houses, 58 rural electricity projects, 325 hospital beds, and 65 cases of rural water networks can be mentioned, he added: West Azerbaijan Province, which in terms of area comprises 2.6 percent of our country's soil, because of the particular attention of the government to its problems, is allotted 5 percent of the total national budget and has also used its potential resources for development. He emphasized the use of the resources of water and land in this province and said: At the present time, the task of studying, revitalizing, and undertaking preliminary studies for some of the plains has also been completed. This year, 700 million rials were spent on studying the plains, which is an expensive long-term plan. With the revitalization of and water outreach to these plains, 32,500 hectares of the barren lands in West Azerbaijan, which has good quality soil, will also be cultivated.

The deputy governor general of West Azerbaijan pointed out the necessity of making sufficient use of water in this province and said: Studies concerning the building of several dams on the rivers in this province have been completed and it is anticipated that the construction work on some of these dams will begin in 1985.

Pointing out the importance of building dams and small dikes throughout the province, he mentioned the measures taken by the Reconstruction Crusade, the water agency and the central agricultural office of the province and explained the problems concerning the implementation of these projects.

Pointing out that in this province, the potential resources of water and soil as well as specialized forces to implement these projects exist, he said: The shortness of the work season, early cold weather and the disruptive operations of the functionary elements in various areas are among the problems that influence the implementation of the projects.

Referring to the martyrs that were among the personnel of the Qods general office of roads in the southern area of the province and the machinery that was set on fire by the counterrevolutionaries, he added: Despite all the atrocities of the counterrevolutionaries, the self-sacrificing individuals did not allow the shameful actions of the minigroups to have a negative effect on developmental operations and activities. The government of the Islamic Republic, following its investigations, has also considered the cities of Piranshahr, Sardasht and Mahabad as deprived areas, for which special funds have been allocated.

Referring to the conditions and characteristics indicating deprived areas, he reenumerated the actions of the government of the Islamic Republic in reconstructing the war-stricken regions in West Azerbaijan and pointed out that this year, 2,400 million rials in funds have been allocated for the reconstruction of the war-stricken areas in this province. Thus far, 69 percent of the funds have been announced and used. These funds will be used in implementing 418 projects by 28 executive organizations, of which 20 percent will be spent to provide houses and residences which have been damaged. The reconstruction of 500 urban and rural houses; 245 schools; 33 health, treatment and nutrition projects; and 35 drinking water projects are among the projects financed from the funds for the reconstruction of war-stricken regions and have either been implemented or are being implemented.

In another part of the interview, the deputy governor general of West Azerbaijan referred to the shortage of iron as one of the elementary problems of projects in the private and public sectors and recommended the advanced technique of reinforced cement and small block posts. He pointed out that in order to provide as much cement as possible in this province, at present, the construction operations of the 2,000-ton Orumiyyeh cement factory continue and next year, work will begin on the installation of machinery in the factory.

Meanwhile, studies concerning the creation of a whole cement production factory in Orumiyyeh have been completed.

He added: At the present time, there is no problem of a shortage of plaster, which is mostly used in rural development projects in this province. Also, in the city of Khoy, the construction of a packaged plaster factory with a daily capacity of 500 tons with the most advanced techniques is underway.

Referring to the accomplishments in connection with industry and making use of mines, he said: At the present time, 21 construction material mines are active in this province as are mines for mechanized nonburning soil, which is exported very well. According to the projections, the general office of mines in the province will have an income of about 80 million rials, which, compared to the previous year, has increased by three times. Also, there is a project underway on the basis of which, with the investments of the Provincial Bank, the mineral resources of Lake Urmia will also be exploited and valuable materials will be obtained.

In connection with industries, he added: This year, thus far, the central office of industries in the province has made agreements in principle for the creation of 174 industrial production units, of which number 105 will be in cities and 69 in Orumiyyeh. They will provide employment for 2,520 persons.

This year, in West Azerbaijan, 80 production units have become operational, employing 1,200 persons. Also, operations are underway for creating a large textile factory in the city of Khoy, which is capable of producing 10 million square meters of fabrics annually.

Pointing out that for the reconstruction of 12 production and industrial units by the central office of industries, 190 million rials will be spent, brother Tasalloti said that, due to the necessity for creating agriculture-related industries, the area welcomes such industries.

10,000

CSO: 4640/271

IRAN

## OVER 150 VARIOUS RECONSTRUCTION PROJECTS BECOME OPERATIONAL

Tehran BURS in Persian 18 Dec 84 p 4

[Text] The methods for the mobilization of the people to reconstruct the country will be studied in the first nationwide gathering of directors of the Reconstruction Crusade, which will be held in the emergency treatment committee building of this institution.

According to IRNA, in the first meeting of this gathering, which will continue for three days, Engineer Bizhan Zangeneh, the minister of the Reconstruction Crusade, emphasized the mobilization of various strata of people to reconstruct the country in various areas and said: As the Islamic revolution becomes victorious over the Satanic forces of the annihilated shah through mobilization and the brave heathenism-fighting of Islam achieves significant victories in war through the mobilization of the people in their confrontation with the Ba'thist forces of Iraq, for the reconstruction of the country, considering the limited existing resources, the depth of deprivation and the amount of needed construction, we have no choice but to make use of the strong energy of the people, which has been mobilized for construction. We must compensate in this way for our technological and organizational weaknesses. The mobilization unit of the Reconstruction Crusade must try to prepare the proper course for the great flood of the people in the construction of the country.

On the importance and necessity of mobilizing the people for reconstruction, the minister of the Reconstruction Crusade said: The truth is that at the present time, great resources for the elimination of the deprivation and the deep destruction leftover from the tyrant's regime cannot be expected from the government. Also, benefitting from advanced technology requires dependence on the East and the West, which is contrary to the foundations of our Islamic revolution. On the other hand, given the implementation of tasks carried out in a traditional way, no matter how many there are, the remaining destruction and the volume of needed construction cannot be responded to. Therefore,

only through using the popular forces and resources can we achieve a great deal of progress. We also have set the hopes for the construction of the country, in large part, on it. Of course, the work which has so far been planned and carried out with this method has been very successful. Through an understanding of the shortcomings and eliminating them, we are trying to prepare the grounds for the increased participation of the people in various reconstruction projects throughout the country.

It should be pointed out that on national construction mobilization day, which was held in the course of imposed war week at the initiative of the Reconstruction Crusade, 154 projects were carried out in various areas involving agriculture, development, animal husbandry, health and treatment, and procurement of agricultural water in the villages of the country, with the mobilization of more than 43,000 urban and rural people.

10,000

CSO: 4640/271

IRAN

DATES TO BE EXPORTED TO FRG, GULF STATES

Tehran SOBH-E AZADEGAN in Persian 12 Dec 84 p 14

[Text] Borazjan. Brother Zamanian, the governor general of Bushehr, who arrived in Borazjan accompanied by several officials of the province, visited the trade school of Sa'dabad with brother 'Abedini, the governor of Dashtestan, Borazjan. The governor general of Bushehr issued certain instructions for the completion of the above-mentioned school and heard the requests of the students. Then from Sa'dabad, they left for the village of Daruahi, Borazjan. He visited the agricultural teacher training school in Daruahi and went among the students and employees of the school. He listened to the statements of the school employees and also the students who requested the construction of an organized dormitory with the necessary facilities as well as a van truck to transport the daily needs of the school. In regards to the van, brother 'Abedini responded: With your own cooperation and that of the people of Borazjan, the vehicle will be procured and put at the disposal of the school. In regards to the other needs mentioned, the governor general gave promises to the students and the employees of the school and pointed out: Considering that we are at war and all of our resources are at the service of preserving our beloved revolution, Islam and Iran, we will take care of the needs of the school as much as we can. Several farmers were also present in the school. Pointing out that there are some dates available in the village and something has to be decided about it, Mr Zamanian, the governor general of Bushehr, said: A large amount of dates will be exported from the Province of Bushehr to the countries in the Persian Gulf. Also, Mr 'Abedini, the governor of Borazjan told the farmers: This year, 10,000 tons of dates from Dashtestan of Borazjan will be exported to Germany and there is no worry in this regard. During the visit of the governor general and companions to Sa'dabad and Daruahi, the central 11 governors of Borazjan and Sa'dabad were also present. After visiting Sa'dabad and Daruahi, the governor general arrived in Borazjan and went directly to the education hall and participated in the sessions of the members of the Islamic societies and the councils of the city and villages. In this session, the members



of the Islamic societies and the local councils of cities and villages explained their needs and the villagers, who mostly wanted the procurement of water, electricity and roads for their villages, informed the governor general and other officials about them. In response to a group of these rural brothers, the governor general said: Thank God, in the course of recent months, water and electricity have been provided to a large number of villages and at the moment, our colleagues are engaged in bringing water and electricity and building roads for some other villages. The water problem of the villages of Ziarat, Daruahi and Kalal has been resolved and by 11 February, God willing, drinking water will be provided for these villages. The asphaltting of the Borazjan-Mazare'i road will also begin soon. This road will be asphalted with the cooperation of the people of Mazereli and Bibara'. After this meeting, the governors general were invited by Hojjat ol-Eslam Salam Hoseyni, the head of the Reconstruction Crusade of Borazjan, to the Crusade building. They spoke about the progress of the Reconstruction Crusade and performed the noon and afternoon prayers in a congregation led by Hojjat ol-Eslam Hoseyni. Later, they had lunch and then went to the governor's hall. And in two separate sessions with the officials of the institutions, rural organizations and the administrative officials of Borazjan, they discussed the progress of work on the level of the city and village as well as the existing problems. The governor general and companions then went to the unfinished building of the Islamic Republican Party of Borazjan. In that place, Hojjat ol-Eslam Najafi, one of the clerics sent from Tehran, announced the greetings of Hojjat ol-Eslam Khamene'i, the president of our country, to the people of Borazjan, spoke about the personality and the goals of the oppressed martyr Beheshti and broke the ground for the Party building. In conclusion, he prayed for long life for the imam and the Islamic combatants.

10,000

CSO: 4640/269

IRAN

BRIEFS

PETROLEUM EXPORT TO YUGOSLAVIA--The public relations office of the Ministry of Petroleum announced: The minister of industries and energy of Yugoslavia met and spoke with brother Honardust, the deputy minister of petroleum of the Islamic Republic of Iran, at the Ministry. In this meeting, an agreement was made to extend the contract for the sale of 1.5 million tons of crude oil to Yugoslavia in 1985. Also, the issue of joint technical and economic cooperation between the two countries in the areas of petrochemistry and gas were also discussed. In connection with the above-mentioned issues, the experts of the two countries will also continue their discussions in the future. It should be pointed out that after the victory of the Islamic revolution, the volume of trade between the two countries increased by 10 percent last year compared to before the revolution. According to this report, negotiations between the two countries have continued for a long time, and on 16 June last year, the head of the economic committee of the government of Yugoslavia, in a visit with the head of the Iranian delegation to the (enketad) conference, expressed the readiness of his country to purchase 1.5 million tons of oil. [Text] [Tehran BURS in Persian 12 Dec 84 p 2] 10,000

EXPANSION OF TIES WITH HUNGARY--Following his economic negotiations with the Hungarian authorities in Budapest, Dr 'Ali Akbar Velayati, the foreign minister of the Islamic Republic of Iran, met with the ministers of foreign trade and finance of that country and spoke about the expansion of economic relations between the two countries. In his negotiations with Peter Veress, the minister of foreign trade of Hungary, Velayati expressed hope that economic expansion will result in the expansion of relations between the two countries in other areas. Also, after separate talks with Istvan Hetenyi, the minister of finance of the host country, the Iranian foreign minister emphasized the necessity for the expansion of economic relations between the two countries on the basis of a long-term program. [Text] [Tehran BURS in Persian 10 Dec 84 p 3] 10,000

HUGE IRRIGATION TUNNEL--In the course of the recent visit of the worthy brother, the governor general of Chaharmahal and Bakhtiari, to the large Kuhrang tunnel project, one of the project officials announced: According to the projected plans, the final operation of this tunnel will begin in 1986. According to IRNA, with the operation of the large Kuhrang tunnel project, a maximum of 250 million cubic meters of water annually, which has thus far been entering Karun unused and reaching the Persian Gulf, will be redirected to the Zayandehrud River in order to irrigate the farms in Esfahan Province. [Text] [Tehran BURS in Persian 13 Dec 84 p 2] 10,000

FARM MACHINERY DISTRIBUTION--Since last year, the committee on the distribution of agricultural machinery and tools of Gorgan and Gonbad area distributed 3,000 tractors of various kinds among the farmers of Gorgan and Gonbad regions. In an interview with IRNA, brother Mirreza'i, a member of the committee on the distribution of agricultural machinery and tools of Gorgan and Gonbad area, announced: Last year, with the efforts of the employees of the agency for the development of agricultural machinery, 2,185 tractors, 2,712 plows, more than 1,960 disks, and 130 trailers were distributed among the farmers of Gorgan and Gonbad areas. He said: In the continuation of these steps during the above-mentioned period, spare parts at a value of 15,500,000 rials have been put at the disposal of farmers free of charge. Meanwhile, 163 million rials worth of spare parts were sold in the area. He added: Also, in the first six months of this year, following the implementation of the general policies of the government to make agriculture central in the area, 815 tractors, more than 700 agricultural tools and equipment, including disks, trailers, and plows, as well as 13 combines were distributed among the farmers in the region. Also, 13 million rials of spare parts, agricultural tools and equipment were put at the disposal of the farmers of Gorgan and Gonbad free of charge and 123 million rials of spare parts and agricultural tools were sold to farmers in the area. [Text] [Tehran BURS in Persian 10 Dec 84 p 1] 10,000

RAILROAD EQUIPMENT FROM SPAIN--Mr (Khalvir Savyalzun), the ambassador of Spain to the Islamic Republic of Iran, along with the members and delegation of the national industries institute, met and spoke in Spain with Seyyed Abolhasan Khamushi, the deputy minister of roads and transport and head of the railroads of the Islamic Republic of Iran. In this meeting, the Spanish ambassador referred to the progress that has been made in the past few years under the shadow of the Islamic revolution and spoke of the technical resources of Spain. Stressing the existence of the grounds for technical and industrial progress in Iran, he expressed the readiness of his country to expand cooperation with the railroads, transportation, five-year programs for the expansion of the network, increase of the capability of railroad transportation and procedures for the procurement of wagons and locomotives needed in the course of this program. It was decided that, considering the readiness of Spain to provide equipment and parts needed by the Iranian railroads, the necessary proposal be offered for study by the national industries institute of Spain to the Iranian railroads. [Text] [Tehran BURS in Persian 12 Dec 84 p 2] 10,000

CSO: 4640/269

PAKISTAN

## ZIA COMMISSIONS PAKISTAN STEEL

Karachi BUSINESS RECORDER in English 16 Jan 85 pp 1, 3

[Text]

President General Mohammad Zia-ul-Haq yesterday commissioned the Rs. 25,000 million Pakistan Steel with a call to the private sector to come forward and invest in the related industries, particularly of engineering goods.

The Steel Mill he said, had opened many vistas for investment for which, the public sector would provide all possible help to the private sector. It is a time the investors took full benefit of this project, he added.

The President, however, made it clear that the production of quality goods was very much essential to meet the needs of the market. "There would be no concession if the quality of goods is not maintained properly," he said.

He said the industries based on steel products would help in import substitution and foreign exchange savings.

He said the private sector should avail itself of the opportunity and tap all new sources made available by Pakistan Steel.

The President said the Government wanted both the sectors to play their rightful roles and one sector would not be favoured over the other.

### 8 Projects Okayed

Gen Zia said the Government had already approved eight projects put forward by the private sector in the field of downstream industries. These projects would cost Rs 4290 million, including foreign exchange component of Rs 2240 million. These projects, he said, were now in different stages of implementation.

As an incentive, the Government had provided tax holidays to investors in addition to the exemption from approval for projects costing up to Rs 300 million.

With these concessions, the President said, the downstream projects would come up in due course of time. He expressed the hope that the number of downstream projects would soon go up from eight to 11.

He also referred to the steps taken by Sind Government for encouraging private investment by declaring 1420 acres of land adjacent to Steel Mill as "industrial area." All necessary facilities would be provided in this area for setting up industrial units by the private entrepreneurs.

The private parties, he said, could also set up industries here with the participation of their foreign counterparts.

About the Steel Mill itself, the President said that the 1.1 million ton capacity project build with Soviet assistance had launched Pakistan into steel age and would play a vital role in achieving economic independence for the country.

#### New Year Gift

President Zia said that the full commissioning of the 1.1 million capacity Steel Mills at Bin Qasim was the best new year gift for the nation.

He said it was with the blessings of the God Almighty that the country had been able to complete such a gigantic project which would give a big boost to industrialisation. He said the whole nation deserved congratulations.

He prayed to God Almighty to make Pakistan Steel an instrument of economic progress of the country.

He said he had been personally associated with different stages of its completion and he was happy to see a wonderful steel complex at a site which just seven years ago was barren and un-even.

President Zia said the steel complex was a very big project. The history of its completion had been rather a checkered one, he said, adding "but thanks to god

Almighty we have completed this project and have launched Pakistan in a new industrial era".

He said that in view of the vital importance of this project, the Government had to slow down on many a projects.

However, he said, with the completion of this project, employment opportunities had been opened for thousands of workers and this project was going to be a backbone of country's industrial economy.

He also referred to the technological benefits to come from the Steel Mills, and said Pakistani engineers and technicians, who had mastered various technologies in the Steel Mills complex, would serve as the vanguard of the industrial technology in the country.

## SOVIET COOPERATION

Agency reports add: President Zia said that Pakistan desired to expand its economic cooperation with the Soviet Union on the basis of mutual interest, respect of each other's independence, regional security and non-interference in the internal affairs.

He said Pakistan was fortunate that it had economic cooperation with the Soviet Union for the past 22/23 years. This cooperation was continuing and the completion of Pakistan Steel Mills was its clearest manifestation. We thanked the Soviet Government and experts for their financial and technical aid in the project.

President Zia said that the Soviet Union contributed about half of its total economic aid to Pakistan to the Steel Mill project. This aid (to the Steel Mills) amounted to 370.5 million roubles, or Rs. 5,833 million. The terms of these loans were soft and repayment could be made in goods. This would facilitate bilateral trade, he added.

The President expressed satisfaction at the Soviet desire to continue economic cooperation with Pakistan after the completion of the Steel Mills. He reciprocated the same.

He said that Soviet-Pakistan relations had expanded in the past few years. There had been exchanges of delegations, agree-

ments were signed and completed, specially those relating to the Steel Mills.

The President expressed special thanks to chief Soviet Expert (operation) A.K. Pelenov and chief Soviet Expert (construction) A. Ponomarenko for their dedicated efforts.

## HONORARY CITIZENSHIP

The President announced honorary Pakistani citizenship for Ponomarenko, who has been working in Pakistan Steel for the last nine years, and went home on leave only three times.

## SMIRNOV

Earlier, the Soviet Ambassador in Pakistan, Vitali S. Smirnov, who led his country's delegation at the function, in his speech expressed the hope that Pakistan Steel Mills would become a symbol of friendship between the Soviet and Pakistani people.

He said the Soviet Union based its relations with foreign countries on the basis of equality, sovereignty, non-interference into internal affairs and mutually beneficial cooperation.

He said the Soviet Union was constantly supporting and helping the developing states in strengthening their national independence and was rendering all-round assistance in developing their economy

and their onward movement on the way to progress.

He said one of the examples of such assistance was Soviet economic and technical help in the construction of Steel Mills.

He said for the construction of the Steel Mills, more than half a million tons of equipment and materials were delivered from the USSR.

The Soviet Ambassador said the complete commissioning of the Steel Mills would seriously promote economic independence of Pakistan, and improve the well-being of the people.

The President was given an enthusiastic welcome by the Steel workers as he arrived at the Mills, accompanied by the Governor of Sind, Lt-Gen. Jahan Dad Khan.

The inaugural ceremony started with recitation from the Holy Quran, followed by a Na'at.

The President unveiled a plaque to mark the inauguration of the country's largest industrial project.

Among those present were Federal Ministers, Lt-Gen. Saeed Qadir, Illahi Bux Soomro, Dr. Mahbubul Haq, Mir Ali Ahmed Khan Talpur, Vice-Admiral Mohammad Fazil Janjua, Presidential Adviser, Dr. Atiya Inayatullah, Provincial Ministers, high officials, Soviet Ambassador Vitali Smirnov and members of diplomatic corps and elite of the town.

CSO: 4600/231

PAKISTAN

## SUBSIDIARY PROJECTS FOR STEEL MILL IDENTIFIED

Karachi BUSINESS RECORDER in English 16 Jan 85 pp 1, 3

[Text]

Production Minister Lt-Gen. Saeed Qadir said in Karachi yesterday that about 25 subsidiary projects had been identified which would be set up at the total cost of about Rs. 5 billion, in the wake of Pakistan Steel.

Presenting his address of welcome, at the inauguration of Pakistan Steel yesterday.

He said that most of the subsidiary plants would manufacture the items which Pakistan was importing so far. Thus these plants, according to him, will not only augment our technical capabilities, but also save the country considerable foreign exchange.

He said that many industrial plants which were not able to work to their full capacity because of import problems, were now operating more efficiently and increasing their production.

He said the list of down stream industrial projects, which are coming up in the wake of Pakistan Steel, is a long one. Out of these, most have already been sanctioned by the Government and construction work has already commenced in some of them. The others are expected to follow suit very shortly.

A plant which will manufacture wire rods and baling hoops is in an advanced stage of construction within the area of Pakistan Steel itself. Close to it work is about to commence on a plant to manufacture slag blocks. A seamless pipe manufacturing mill is nearing completion at Nooriabad near Dadu.

Two other projects for tin plate manufacturing have already been sanctioned and talks are currently going on to site one of them within the boundaries of Pakistan Steel while the other one will be located in Nooriabad.

The products of these factories will give a great impetus to agrobased industries in our country. A considerable portion of our agricultural produce, particularly vegetables, fruits and their juices go waste because we do not have enough resources to pack them and preserve them. The increase in the output of tin plates will result in the setting up of factories in rural areas where fruits and vegetables can be packed up in tins. This tinned stuff can be utilized in off-season in our own country and even exported.

The subsidiary industries which can be set up and are being set up, based on the produce of Pakistan Steel include, besides the above; foundries; G.I. pipe fitting mills; plants to manufacture various chemicals from coaltar; rail and heavy structure manufacturing plants; storehouses for cereals; agricultural machinery making plants; mills to make tubular poles and M.S. pipes; mills for manufacturing checkered steel plates and large diameter pipes; and still other types of industrial undertakings. Each of the above plants will be playing an important role in the country's industrial sector. For instance, take the mills which will manufacture large diameter pipes: these pipes will be extensively used



for the transmission of water, oil and gas. It is our prayer that fresh and vast deposits of gas may be discovered in our country so that the energy shortage can be overcome and the large diameter pipes can be used on a really big scale, he said.

#### APP ADDS:

He said "we offer profound thanks to God Almighty for our great success."

Lt-Gen. Saeed Qadir said "Pakistan Steel is a symbol of modern construction—it points the way to our determination to take the country and the nation towards our goal of progress and prosperity."

The Minister said that like the Aligarh Muslim University, the objective of setting up this great complex of Pakistan Steel was to acquire the practical knowledge of the latest techniques of steel making "so that we may not continue to remain dependent upon the developed countries—a dependence which has kept our entire economy at the mercy of others."

Lt-Gen. Qadir said "we are proud of the fact that all the plants of Pakistan Steel are functioning successfully and, in fact, some plants have constantly remained operational at levels exceeding the laid down production capacity. The needs of the country's industry are being met to a very great extent by these plants of Pakistan Steel. We are also conscious that the national industry can truly benefit from Pakistan Steel whom not only is the produce punctually delivered at reasonable prices, but it also measures up to the highest international standards. I am confident that Pakistan Steel will always keep these priorities in mind and continue to supply the various types of steel and iron requirements of the rapidly expanding engineering industry of the country. It would however, not be realistic to expect Pakistan Steel to meet the demand for each and every type of iron and steel.

Pakistan Steel has only recently gone into production. Its products, though varied, are not unlimited and its field of operations, though quite vast, is still very much finite.

At present our country needs about 15 lakh tons of steel annually. This requirement is expected to go up to about 23 lakh tons within the next five years. Insha Allah, with the passage of time and the acquisition of greater experience, we shall acquire the capability of fulfilling each and every requirement of our industry. Till then, however, the country will keep on importing those types of iron and steel which are not yet being produced by Pakistan steel".

#### STEEL MAKING PLANT

He added "as always happens, when a steel making plant first goes into production, Pakistan steel is also running at a loss. But this is only for an year or two. We are confident that with better management and the dedicated efforts of the staff this loss will turn into a profit in near future.

The Production Minister said "Pakistan Steel has contributed to the growth of the industry which manufactures spare parts for buses, cars, tractors and other machines. Besides the latest technology and know-how are also involved in the manufacture of spare parts for the heavy machines of Pakistan Steel itself. Thus new break throughs in technology have taken place in these fields also. Three spare part manufacturing plants of Pakistan Steel—foundry and pattern making shop, forge and fabrication shop and mechanical repair and heat treatment shop—are producing more than 5000 tons of spare parts for Pakistan Steel. This is saving the country hundreds of millions of rupees in foreign exchange and has led to the manufacture of many spare parts for the first time in Pakistan."

He added "Production at Pakistan Steel has started within the period of the Sixth-Five Year Plan. During the next few years production at Pakistan Steel will reach its peak and the impact of this increased production will become apparent during the Seventh Five-Year Plan.

"The completion of Pakistan Steel is, without any doubt, a very

great achievement, the credit for which must go to our energetic workers, our dedicated officers and our hardworking contractors. All these people deserve our heartiest congratulations."

He offered thanks to all the Soviet experts and especially to the Chief Soviet Expert (operation) A. K. Pelenov, his predecessor Dr. E. D. Friedenzon and the Chief Soviet Expert (construction) A. Ponomarenko. Ponomarenko, has been working in Pakistan Steel for the last nine years. During this long period he went home on leave only three times. For this relentless dedication to duty he deserved the gratitude of all of us. His devotion to duty and hard work and the love and affection with which he imparted training to the Pakistani engineers and workers was a shining example for all.

#### H N AKHTAR

The Chairman, Pakistan Steel, Haq Nawaz Akhtar in his speech said "Today is the day when our nation can rightly feel proud and exhilarated. It is the day when all the units of Pakistan Steel have become operational. It is the day when this grand steel complex built through the hardwork and savings of a poor but self-respecting nation goes into full operation. Today we are making a leap forward towards the difficult but desirable goal of economic self-sufficiency. Today we have achieved the capability of using the 20th century technology of promoting the engineering industry and of making machinery and spare parts for ourselves.

He added "We humbly bow our heads before Almighty Allah for having rewarded our humble endeavour. All the workers, officers and engineers of Pakistan Steel, and all those associated with the Pakistani contracting organizations, feel a sense of pride today for having come up to the expectations of the nation. In future also, Insha Allah, they will be working with the same zeal and spirit so that our economy is assured of a strong base".

Akhtar thanked the Soviet government and experts for their material and technical aid in setting up the Steel Mill.

PAKISTAN

ZIA: AMENDMENTS TO CONSTITUTION 'IN LINE' WITH ELECTION PLAN

Karachi BUSINESS RECORDER in English 16 Jan 85 pp 1, 2

[Text]

President General Mohammad Zia-ul-Haq has hinted at the possibility of future elected parliament having more powers than those provided in the 1973 Constitution.

Talking to newsmen in the Conference Hall of the Pakistan Steel soon after the formal inauguration ceremony, the President, while referring to the doubts expressed in certain quarters about the effective powers of future assemblies, termed them as "mere misgivings" and "figment of imagination".

He stated in clear terms that the future National Assembly and Provincial Assemblies would enjoy all the powers and function independently within their respective spheres.

Replying to a question, President Zia said it would be upto the elected members of the future assemblies to decide about the formation of political parties.

About the 1973 Constitution, he reiterated that it had not been abrogated but had just been suspended and would be revived after the Provisional Constitution Order was withdrawn at a later stage.

He also announced that the amendments to be made in the 1973 Constitution would be in line with the election programme he had given on August 12, 1983.

About the orders issued in the last few days after announcement

of the election dates, President Zia said they were in accordance with the 1973 Constitution.

He reminded the newsmen about the four years functioning of Majlis-e-Shura which, though comprising nominated members, was independent and no restrictions were exercised on its proceedings.

To another question, the President said his philosophy was to establish a system of government based on the Islamic principles. "We must strive to strengthen a democratic system based on Islamic values," he remarked.

He expressed the hope that all patriotic people and those who adhere to the Islamic principles would support him.

FUNDAMENTAL ISSUES

Asked if he intends to seek some sort of national consensus on the fundamental national issues, the President replied that there was no need for it as "people have already given a mandate on the Islamisation policy in an overwhelming manner in the December 19 referendum which is a clear manifestation of national consensus."

He expressed confidence that the forthcoming elections for the National and Provincial Assemblies would be free, fair and impartial.

The President was particularly happy about the "enthusiasm of people of Karachi for the coming elections."

President Zia corrected a questioner that only "some" and not "most of the politicians" have been debarred from participating in the elections. He would consider to lift restrictions on more in consultation with the Provincial governors, he added.

He said that he would continue to meet the political leaders and, in fact, had no hesitation in meeting anybody.

Asked why the Soviet delegation did not come to participate in the inaugural function of the Steel Mill, President Zia replied it might be because of some compulsions.

He said that an invitation was sent to the Soviet government which communicated its regret before the function. "But then the Soviet Government is well represented by its envoy S. Smirnov," he added.

He expressed profound thanks to the Soviet government for help in setting up the Steel Mill which, he said, had opened a new era of progress for Pakistan.

About Soviet Union's offer for setting up another steel mill, he said the Government was giving due attention to it. But let this Steel Mill start functioning at full capacity production, he remarked.

CSO: 4600/231

PAKISTAN

## NOMINATION PROCESS FOR ELECTIONS BEGINS

Karachi BUSINESS RECORDER in English 16 Jan 85 pp 1, 8

[Text]

ISLAMABAD, Jan 15: The Chief Election Commissioner, Mr. Justice S. A. Nusrat, said here today that filing of nomination papers for the National and Provincial Assemblies seats began throughout the country from today.

The last date for the filing of the nomination papers for the National Assembly is Jan 20 and for the Provincial Assembly Jan 22. The scrutiny of the papers for the National Assembly seats will be held on Jan 21-22 and for the Provincial Assemblies on Jan. 23-24.

Explaining various points of the schedule of National and Provincial Assemblies elections, the Chief Election Commissioner told a crowded press conference here today that the date for the withdrawal of papers for the National Assembly is Jan 23 and for the Provincial Assembly Jan 26.

He said the last date for filing of appeals for the National Assembly is Jan 23 and for the Provincial Assemblies Jan 26. "The decisions on the appeals for the National Assembly will be made on Jan 26 and for the Provincial Assemblies on Jan 28.

The Election Commission Chief said that the election work has been decentralised to a maximum possible extent to ensure smooth, fair and impartial conduct of elections to the National and Provincial Assemblies.

He said experience gained during the referendum has helped devise various measures to eliminate difficulties and problems faced by the people at the time of polling.

A new office of District Returning Officer has been created to take on the spot decisions and remove difficulties in the smooth conduct of elections. The District Returning Officer will also work as coordinator between the Returning Officers and the Provincial Election Commissioner.

### REVISED LISTS

Mr. Justice S. A. Nusrat said that the revised lists of the candidates both for the National and Provincial Assemblies will be published on Jan 28 and Jan 30, respectively.

He said campaigning for the National and Provincial Assemblies would be disallowed 48 hours before the polling dates for both elections.

### ELECTION SYMBOLS

Replying to a question, Mr. Justice Nusrat said the Election Commission has approved 82 election symbols and they would be allotted in alphabetical order to the candidates. He said these symbols do not include the famous symbols of the defunct political parties.

The symbols include: Arrow, axe, bat, bell, bicycle, bowl, bridge, book, brush, bucket, bulb, bus, butterfly, candle, car, cap, lamp, chair, Charpai, clock, coat, comb, cup and saucer, fan, flower vase, fountain, Ghulail, hand pump, helicopter, hockey, inkpot with pen, iron, jug, kite, knife, trowel (Karandi), ladder, lantern, letter box, lock, Lota, loudspeaker, match box, mountain, pencil, Persian wheel, pitcher, planer, racket.

radio, railway engine, rickshaw; ring, scissors, scotter, sewing machine, spade, slate, saw, spectacles, spinning wheel, suitcase, tumbler, table lamp, Takhti, tap, teapot, telephone, television, tonga, tractor, tree, truck, turban, umbrella, walking stick, well, wheel, whistle, wrist watch and waist coat.

Replying to a question the Chief Election Commissioner said that during the forthcoming elections the restriction of the presentation of the National Identity Card has been lifted but every voter will have to prove his identity through any document including passport, ration card, driving licence, service card etc.

To another question, Mr. Justice Nusrat said that the Election Commission will announce all the results. Further explaining this point, he said that even incomplete but the progressive results would only be announced by the Election Commission.

#### FREE & FAIR POLLS

Referring to the confusion created by some of the Government functionaries during the referendum, he said, efforts were being made to make a fool-proof system for the holding of free and fair elections. He said in this regard, all the Government functionaries, assigned to conduct the polling and counting of the votes would be placed directly under the Election Commission.

He said for the general elections, District Returning Officers would also be appointed besides Returning Officers and Assistant Returning Officers.

He said a total number of 80 Dis-

trict Presiding Officers, 338 Returning Officers and 519 Assistant Returning Officers will be appointed throughout the country for the holding of general elections.

Replying to a question, the Chief Election Commissioner said, the time for polling at certain polling station could be given keeping in view the unforeseen circumstances like weather conditions or if polling halts due to law and order problem.

To another question, Mr. Justice Nusrat said that an amount of Rs. 7.77 crore has been allocated for the holding of general elections in the country.

To another question, he said that 21 parties were registered by the Election Commission in 1979 including, Tehrik-e-Istiqal, Jamaat-e-Islami, Pakistan Muslim League (Chatta Group), Jamiat-e-Ulema Pakistan (JUP), Gharib Awam Party, Progressive People's Party, Inquilabi Council, Khalqe Khuda Party, Ahrar-e-Islam Party, Pakistan Mchnat Party, Qayyum Muslim League, Pakistan Muslim League (Pagara Group), Pakistan Musawat party and some other parties.

PPI adds:-

According to reports from various parts of the country, great enthusiasm was witnessed at the offices of the Returning Officers where candidates along with their supporters came in groups to file their nomination papers.

Today being the first day of the filing of the nomination papers, a clear picture has now started emerging of the future shape of situation and the probable coopera-

tion among the candidates and their opponents.

Though the elections would be held on the non-party basis the candidates and their supporters are working almost the same fashion as the parties do. In fact, the condition laid down in the election procedure that the candidates must be supported by 50 voters of his constituency was an indication as to how much the candidates was popular in his area.

As has been the tendency in the past, the candidates do not content on filing one nomination paper. Instead several nomination papers are filed on his behalf, and under the present condition the candidates will have to muster great support at the initial stage to enable them to file the papers and complete the formalities. Several hundred voters will have to sign their nomination papers.

The printed nomination forms are available at all the election offices. The Election Commission has allowed the people to use copies of these forms for their convenience.

According to the Commission's sources, entries in the nomination papers have been made simple and easy.

At least 50 voters, whose names are included in the electoral rolls, are required to nominate an eligible person for the candidature to the National or Provincial Assembly from their respective constituencies.

The nominated persons, accepting the nomination, will pledge that they believe in the ideology of Pakistan, besides taking an oath prescribed for this purpose.

PAKISTAN

STEEL MILL'S IMPACT ON NATIONAL ECONOMY ANALYZED

Karachi BUSINESS RECORDER in English 15 Jan 85 Supplement pp I, V

[Article by Anis A.K. Lodhi]

[Text]

**INTRODUCTION**

In the modern age, all economic activities revolve around iron and steel. Universally, the level of per capita consumption of iron and steel is accepted as a yardstick for a nation's technological and economic advancement. Steel is the matrix of all modern industry. The average per capita consumption of steel in Pakistan during Fifth Plan (1978-79 to 1982-83) stood at 15.93 Kg, as against the average consumption of 166 Kg. — 500 Kg. for developed countries and 30 Kg. for developing countries. Like all other developed countries, Pakistan too have from very beginning realised the importance of steel as the fountain head of industrialisation. In this direction, since 1955 establishment of a steel mill in the country remained under active consideration of all successive Governments. Due to non-availability of foreign credits and absence of technical know-how, the plan to set up a steel mill could not materialise. The Government decided in 1968 that a Steel Mill Project should be sponsored in the public sector for which a separate Corporation should be formed. Pakistan Steel Mills Corporation was registered as a private limited company in July 1968 to look after all works

relating to founding of a Steel project in the country. A definite decision was taken in 1969 to establish a coastal based steel mill based on imported raw materials with techno-economic assistance of USSR. Eventually in 1971 an agreement was concluded between the Governments of USSR and Pakistan under which it was agreed that the former would collaborate and provide necessary techno-financial assistance for establishment of a Steel Mill. A contract was concluded in March 1974 with the Soviets for supply of main plant machinery, equipment and construction materials.

The Steel Mill was originally planned to be located at Buleji, West of Karachi but in May 1972 a decision was taken to change the site to Pipri (Bin Qasim some 40 kilometres east of Karachi) with a view to keep away the congested and thickly populated areas of Karachi city from industrial pollution.

The Steel Mill at Bin Qasim is spread over an area of 18,600 acres (29 square miles), of which 10,302 acres are meant for Main Plant and 8126 acres for Steel Town. An area of 195 acres have been earmarked for 110 million gallons reservoir for industrial water. The foundation stone of Steel Mill was laid on 30th December, 1973 and the con-

struction work on the Main Plant was started in 1976.

Keeping in view the stage of development in the country, PAKISTAN STEEL project did not only entail construction of Main Plant Complexes but also creation of requisite infrastructure facilities and utilities setting up of a modern and well equipped Metallurgical Training Centre for imparting technical instructions; establishment of a Construction Base for providing the necessary construction inputs and support of heavy construction machinery for undertaking large scale construction jobs and development of a self-contained township with all essential civic amenities. The additional facilities which PAKISTAN STEEL was obliged to set up are normally readily available in industrialized countries and as such do not form part of the capital investment of an Iron & Steel Project.

**PHYSICAL  
IMPLEMENTATION**

PAKISTAN STEEL has not been set up on turnkey basis. The Soviets have supplied plant design, technology and equipment for the Main Plant and their experts supervised construction/erection and would remain associated with operational mat-

ters during initial years. All other facilities have been developed by

**PAKISTAN STEEL** with indigenous and third country assistance. The civil mechanical and electrical works have been accomplished by Pakistani contractors, engineers and workers.

All the units of the Main Plant have since been completed and commissioned. The production units already put in operation are — first Coke-oven Battery in April 1981; first Blast Furnace in August 1981; 800 mm Billet Mill in October 1982; two Converters, one Bloom Caster and two Slab Casters of Steel Making Plant between December 1982 and November 1983; 1700 mm Hot Strip Mill in December 1983; second Blast Furnace in August 1984 and various units of Cold Rolling Mill between February and December 1984. This marks completion of **PAKISTAN STEEL**, the single largest industrial Complex in the country, having a production capacity of 1.1 million tonnes of steel annually with built in potential to expand to over 2 million tonnes.

#### **PRODUCT-MIX:**

Till recently, Pakistan has been entirely dependent on the imports to meet its iron and steel requirement. With the coming on stream of the Main Plant, the following main products and by-products become available for engineering industries including downstream projects:-

#### **IMPACT ON INDUSTRIAL DEVELOPMENT:**

**PAKISTAN STEEL** has been in production — that too partially — only for a short while. But even in this period it has been able to attain a high quality of production — a fact vindicated by ready-acceptability and increasing demand pattern of its products in local as well as foreign markets. Availability of indigenous steel of various specifications according to international quality standards was hitherto a missing

link to the development of capital goods and engineering industry. Now that the link has been established, it should prove to be a big boost towards attainment of the aims of Sixth Five Year Plan for engineering industry. There are already early glimmers of this phenomenon. For example local demand of coke and pig iron prior to **PAKISTAN STEEL**'s going into production averaged, 3,000 tonnes and 2,750 tonnes respectively, whereas the same have now shot up to about 4,000 tonnes and 6,000 tonnes respectively — mainly due to increased utilisation of foundry capacity in the country. In all likelihood, this demand is expected to rise even further in not too distant a future. Foundry is the mother of engineering industry and the castings obtained from foundry form the basic input for automotive components, agricultural tools and implements.

Similarly, granulated slag obtained from blast furnace has also afforded an opportunity for production of cement with better sulphate resisting and surface finishing properties at much cheaper cost. Three cement factories viz. Thatta Cement Factory Thatta, Javedan Cement Factory, Karachi, and Zeal Pak Cement Factory, Hyderabad are presently engaged in the production of slag cement based on utilization of 225,000 tonnes of blast furnace granulated slag.

#### **DOWNSTREAM PROJECTS:**

**PAKISTAN STEEL** envisages the setting up of a number of downstream industries based on its main products and by-products. In addition to local entrepreneurs, enterprising foreign investors are also being welcomed to set up these industries, which offer immense scope for profitable investment, on joint venture basis.

Some major downstream industries, which have been identified already, are discussed as follows:-

**Projects based on utilization of Cold Rolled Sheets:** Pakistan consumes about 70-80,000 tonnes of tinplate annually but has no production capacity for this item and the entire quantity is imported. To substitute imports, four tinplate manufacturing projects are envisaged to be set up with a combined capacity to produce 315,000 to 345,000 tonnes of tinplates per annum based on utilization of 348,000-378,000 tonnes of black plates to be produced at **PAKISTAN STEEL**. Of these, two proposals, one with an annual capacity of 120,000 to 150,000 tonnes to be located at Bin Qasim and the other with 45,000 tonnes per annum capacity to be located at Nooriabad District Dadu, have been approved by the Government while other two projects with annual capacities of 110,000 tonnes and 40,000 tonnes are under consideration of Investment Promotion Bureau. The industry will meet the expanding demand for containers needed for petroleum products, edible oil, canned food items, etc.

**Projects based on utilization of Hot Rolled Sheets:** A unit with an annual capacity of 25,000 tonnes of spiral welded pipes of large diameter, that is 8 to 60 inches, could cater to the increasing demand for gas, oil and water transmission & distribution in the country. These pipes would also find good markets in the neighbouring Gulf and Middle East countries.

A project for producing 12,000 tonnes of small dia pipes of 1/2" to 6" utilising 12,700 tonnes of H.R. sheets is proposed to be located at Hub Chowki, District Lasbella.

Another project for producing 6,000 tonnes of small dia pipes utilising 6,200 tonnes of H.R. sheets is being set up at Jamrud, Peshawar. A Tabular Poles Manufacturing Project with an annual capacity of 10,000 tonnes based on 12,000 tonnes of H.R. sheets is envisaged to be set up in the vicinity of **PAKISTAN STEEL**.

A detailed feasibility report for production of 10,000 tonnes of chequered plates per annum using 10,000 tonnes of H.R. sheets is under preparation by a private entrepreneur.

Projects based on utilization of Galvanized Sheets & Formed Sections: A 25,000 tonnes per annum capacity manufacturing plant of Grain Storage Silos and Farm Buildings utilizing 20,000 tonnes of galvanized sheets and 6,000 tonnes of formed sections is envisaged to be set up in the periphery of PAKISTAN STEEL for which feasibility report is under preparation by prospective private party.

A proposal for pre-engineered buildings manufacturing plant based on the utilization of galvanized sheets and formed sections has been envisaged to be set up in private sector. Prospective investors have been advised to prepare a techno-economic feasibility report of the proposed project.

Projects based on utilization of Billets: Pakistan does not produce seamless pipes but its demand by the expanding chemical, petroleum, gas, metal, construction and sugar industries is estimated to go up to 60,000 tonnes annually by 1990.

A seamless pipe project, using PAKISTAN STEEL's billets as basic raw material, is being set up at Nooriabad, District Dadu. With an annual capacity of 30,000 tonnes, the plant is designed to produce varying sizes of pipes of half an inch to 12 inch diameter.

Another proposal for manufacturing 18,000 tonnes of seamless pipes is under active consideration of prospective entrepreneurs.

A combined wire rods and steel bars mill of 50,000 tonnes per annum capacity is nearing completion at Kot Lakhpat, Lahore.

A unit for manufacturing wire rod & baling hoops with an initial annual capacity of 29,000 tonnes using blooms/billets is being set up at Bin Qasim.

A plant for manufacturing wire, wire rod, nuts & bolts and special steel having a capacity of 150,000 tonnes per annum utilizing 110,000 tonnes of M.S. Billets, 1,000 tonnes of pig iron and 60,000 tonnes of scrap has been approved and is being located at Hub Chowki, District Lasbella.

A heavy structurals project having an annual capacity of 100,000 tonnes utilizing of 110,000 tonnes of billets and blooms/slabs has been planned. Heavy steel structurals are used in buildings, bridges, towers, harbours etc. The demand is expected to grow with the present trend of high-rise buildings and implementation of various development programmes envisaged in the Sixth Five Year Plan.

Projects based on utilization of Pig Iron: Pig iron and coke used by the foundries were being imported but now these items produced by PAKISTAN STEEL are readily available. In the melting furnaces other than cupola, either oil, gas or electricity was used. There is scope to set up modern cast iron foundry projects with annual production capacity of 5,000 - 10,000 tonnes per annum.

A.G.I. Pipe Fittings Manufacturing Project of 1,280 tonnes to produce elbows, tees, etc. based on utilization of 1650 tonnes of pig iron and 173 tonnes of coke, is under active consideration of a prospective entrepreneur.

Projects based on utilization of Blast Furnace Granulated Slag: Granulated slag is an important by-product of the Iron Making Plant of PAKISTAN STEEL. With both its blast furnaces in operation, the quantity of slag available annually is 300,000 tonnes.

Thatta, Javedan and Zeal Pak Cement Factories are utilizing blast furnace granulated slag for manufacturing of slag cement.

Another project for making slag bricks and construction blocks is under implementation.

The Plant being located at Bin Qasim, has an annual capacity of 20 million nos. slag blocks utilizing 60,000 tonnes of PAKISTAN STEEL's granulated slag.

Yet another use of slag is in the manufacture of slag wool used for thermal insulation. A 10,000 tonnes of slag wool manufacturing plant based on 10,000 tonnes of granulated slag has been proposed for which feasibility report is under preparation by the interested party.

Project based on utilization of Coal-Tar: Coal-Tar is a by-product of the Coke Oven & By-Product Plant and only a small proportion of the quantity available is used by PAKISTAN STEEL as fuel in its Thermal Power Plant. In industrialised countries, not more than 2 per cent of the coal-tar is burnt because it contains highly valuable fractions and components, 300 of which have already been identified. Its six major components are light oil, phenol oil, naphthalene oil, wash oil, anthracene oil and coal-tar pitch. As industry for fractional distillation of coal-tar, with an annual capacity of 50,000 tonnes of anhydrous coal-tar, has already been approved which will utilize the entire production of coal-tar (46,500 tonnes) at

PAKISTAN STEEL.

Five stand - Tandem Cold Rolling Mill: PAKISTAN STEEL has planned to set up a 5 Stand Tandem Cold Rolling Mill of 500,000 tonnes capacity for meeting the demand of black plates/tempered cold rolled sheet required by Tinplate Manufacturing Plants being set up in the private sector and other engineering industries. Sufficient quantity of hot rolled sheets/coils will be available from the existing 1700 mm Hot Strip Mill of PAKISTAN STEEL for processing in the Tandem Mill.

#### GENERAL IMPACT ON NATIONAL ECONOMY:

The national economy has also gained from PAKISTAN STEEL.



in many other ways, the more important of which are development of construction capability, assimilation of technology, employment opportunity and import substitution.

#### Development of Construction

**Capability:** Massive civil works, intricate erection, installation of sophisticated electrical and mechanical equipment etc. had to be carried out almost at all the shops/complexes of the Steel Mill. Initially Pakistani contractors were reluctant to undertake such works due to lack of expertise. However, they were persuaded and encouraged to take initiative and by passage of time they have now gained necessary technical ability to undertake works worth million of ruppees. Their mobilization capability for induction of construction machinery and equipment and effective deployment of large labour work-force has considerably increased.

#### Assimilation of Technology:

The main process now prevalent for manufacture of steel are (i) Blast Furnace with Oxygen Converters and (ii) Direct Reduction and Electric Arc Furnaces. Open Hearth Furnace technology was the prominent source of getting steel prior to the introduction of Basic Oxygen Process in 1952-53. Open Hearth technology has since lost its ground totally in the face of higher efficiency and

lower cost of production of Basic Oxygen Furnace/Linz Donawitz Converter Process. In 1957, Direct Reduction Process was invented in Mexico which is based on the concept of deoxidising the iron ore in atmosphere by using natural gas, coal or refinery waste gas resulting in the improvement of iron content of the ore between 60-90%. Such deoxidised iron ore known as sponge iron, pellets or metallised pellets is charged into Electric Furnace for conversion into steel. Direct Reduction/Electric Furnace Process produces only steel and no other intermediary products.

In the present world of steel making, the traditional BF/BOF route is most popular process and constitutes about 80% of world steel capacity which was 664 million tonnes during 1983. Direct Reduction process covers only 5% of world steel capacity. A number of developing countries like India, South Korea, Taiwan, Iran and Turkey have adopted integrated conventional steel making process while creating steel producing facilities.

Advanced Blast Furnace technology for iron Making and BOF/LD converter (Basic Oxygen Furnace/Linz Donawitz Converter) for steel making with continuous casting facilities have, therefore, been chosen for Pakistan's first integrated steel works.

Pakistani engineers and technical manpower have started gaining expertise in the field of metallurgy with commissioning of various production units of PAKISTAN STEEL. Sufficient skill has already been attained with the commissioning of the Steel Mill and the units in operation are efficiently run by Pakistani personnel.

#### Employment Opportunity:

Establishment of the Steel Mill has resulted in erection of job opportunities. PAKISTAN STEEL has provided job to over 20,000 persons for construction and erection work as well as for operation works. The contractors engaged in various works at site had inducted over 20,000 workers daily during the peak construction period. The establishment of downstream units would create further job opportunities that will run into tens of thousands. When PAKISTAN STEEL goes into full operation, 15,000 persons would be required to operate the plant at optimum capacity.

#### Import Substitution:

A beginning has already been made in the sphere of import substitution in respect of the items produced by PAKISTAN STEEL. PAKISTAN STEEL has also been supplying surplus electricity to Karachi Electric Supply Corporation for meeting the demand of domestic and industrial consumers.



PAKISTAN

STEEL MILL SAID 'A PROJECT CAST FOR NATIONAL INDUSTRIAL GROWTH'

Karachi BUSINESS RECORDER in English 15 Jan 85 Supplement p III

[Article by Ahmed Abdullah]

[Text]

Being late entrant in steel industry, Pakistan faces a challenge to regain in the shortest possible time the grounds lost in advancement of its basic industrial structure. Emergence of Pakistan Steel and its coming into full-scale functioning augurs well and is to be seen in the context stated. Production strategy and sales pricing policy be framed to operate as development thrust through domestication of the steel industry.

Pakistan Steel need not be construed, at least for a foreseeable future, as a unit to generate monetary profit. Steel Industry is not created anywhere as an end in itself. It is a means to achieve the end, which is accelerated industrialisation. Now that Pakistan established this basic industry two decades behind, in the process of its implementation, due to the work being gigantic in nature and structure, several factors beyond control influenced in giving considerable cost overruns. It would not be out of place to mention that originally its overall cost was firmed up about Rs. 14 billion. By the time of its completion the capital outlay is reported to have escalated to about Rs. 25 billion. As a result, depreciation and debt servicing elements will reflect significant increase, as relevant part of the cost of production. If all that increase is

envisaged to be recovered in quick succession, which tends to be the practice in monopolies, dominant more in public sector, accomplishment of ultimate objectives for setting up of the Pakistan Steel Project will hang in balance, if not defeated. This is an important aspect which must be kept constantly in view, while formulating production and pricing policies of Pakistan Steel's products.

The Sixth Five Year Plan, 1983-88, has been designed to bring Pakistan's economy to a takeoff stage. Through well laid network of metal and engineering industries this would be achieved. The era of setting consumer industries through imported machinery and equipment would draw to an end when adequate domestic capacity for machinery manufacturing is created and production getting into gear. Pakistan Steel is destined to make it come true, in a short term. Pakistan Steel has to be seen as engine of growth, specially for inland manufacture of capital goods. It will add new dynamics to the growth and development of the consumer industries within. Making all this feasible demands to desist from popularly known prompt price-push policy.

Besides enormous gains to accrue to the Pakistan's economy from full-fledged functioning of

the Pakistan Steel, another main benefit will be significant savings in foreign exchange, spent unwarrantedly over the past 37 years on import of a full range steel products from foreign sources. Switch over to import of raw materials would save what is known as value-added inbuilt in otherwise imports of finished steel products. This alone will yield big gains through the Pakistan Steel. Invariably Pakistan Steel is to function as a major project of Pakistan's economic growth, development and technological advancement.

The Industrial Investment Schedule, 1983-88, envisages investment of over Rs. 22500 million in basic metal and metal-based industries. This works out about 18 per cent of the aggregate industrial investments proposed. More investment generation in said industries is expected. In view of sound network of downstream industries to be created. This trend, as intensified, will play a key role in transforming Pakistan's Industrial base, as capital goods making industry would get in the top gear.

The policy makers invariably are faced with making a choice between the two options: (1) Whether to make Pakistan Steel a profit making unit soon or (2) accelerate gross domestic product. Choice of the latter sounds pragmatic, because with it, in time to come, the first stated aim would also be served soon. By error, if priority is assigned to the first mentioned opinion, possibly the ultimate objective of the Pakistan Steel is not served in earnest.

Pakistan Steel is a unit to qualify as basic industry. It is conceived to give fillip to the national metal industry. It is to give impetus to the engineering industry too. With sound emergence of the twin industries, Pakistan will enter into high technological and precision fields. We have, no doubt, technicians with ingrained skills, which require sharpening

through eased and augmenting domestic supplies of basic raw materials for the metal and engineering industries. Growth of these industries is sine-quanon for our successful debut, into second phase of our industrialisation programmes, which aims at creating network of capital goods industry at home.

THAT THE PAKISTAN STEEL PERFECTLY PLAYS ITS PRINCIPAL ROLE OF IMPORT SUBSTITUTION, PRICES OF ITS PRODUCTS TO THE DOMESTIC DOWNSTREAM INDUSTRIES SHOULD COMPETE WITH THE PRICES PREVAILING IN THE INTERNATIONAL MARKETS. WITH CERTAIN INHERENT ECONOMICS, LOCAL PRICES COULD BE HELD AT LEVELS LOWER THAN THOSE OF THE WORLD MARKET.

Without much sacrifice, growth and development of downstream industries would hang in balance and the challenge of overcoming lost grounds would not be met early.

Indisputedly, steel and steel products making at home has taken shape after such a long lost time that production of Pakistan Steel at its optimum level would not squarely satisfy the existing and steadily increasing demand of its products, in particular billets and flat products. Conservatively estimated, demand for billets is 650,000 tonnes and of flat products including hot-rolled, galvanized, cold-rolled and formed sections 800,000 tonnes per annum. Initial production capacity of the Pakistan Steel is rated at about 1.1 million tonnes per year, in the breakup of about 450,000 tonnes of billets and of about 650,000 tonnes of flat products. It is claimed that built in potential is to expand production over another one million tonnes. That will take time and investment. By the time it is achieved,

demand for these products would go up further. Will it be possible that production at Pakistan Steel soon catches up with the demand? With growth envisaged and development worked out for downstream industries, the existing demand of billets and flat products will roll up instantly. This is to be taken care of. Anyway, Pakistan Steel will not be alone able to satisfy the projected demand of steel products for domestic industries to grow fast.

In order to activate vital metal and engineering industries, shortfall in supplies against emerging demand should be met from imports without restraints. With this trend to persist, a sound pricing policy is likely to continue. Usually in cases like this, practice adopted by public sector industries has been restricting imports to the extent domestic supplies are fully consumed. This strategy cannot be disputed for providing due protection to the domestic industry, so as to accelerate its growth and development. However, ancillary industries using steel, in such situation, shall be ensured full supplies to have their operations at optimum scale. Otherwise, objective of accelerating Gross Domestic Products will not be served perfectly.

Import of steel, however, should not be assigned to the will of its makers at home. Likewise, rendering imports, subject to no-objection-certificate (NOC) from the Pakistan Steel shall be avoided. There could be temptation to force this system. If allowed, it is likely to culminate

into convenient price push practices. Such system may further attract action to impose custom duty on imported materials and revenues so generated may be defended in subsidising local production. This will not help encouraging and invigorating the metal processing and engineering industries. Once custom duty and like levies are envisaged and applied on import of steel, it would pave way for growing increase in it to the extent it enables Pakistan Steel recover all its costs, at times of its inefficiency as well and charge more than the ruling world market prices for steel.

Steel is a basic material for growth and development of an economy. Principal use of steel is in creating infrastructure, which already lags far behind its requirement in Pakistan. Resultantly, economic development is checked and prevented from taking strides to potentials possessed. This constitutes among certain reason of slowdown in our economic advancement.

Looking at the economic growth of Pakistan over the past 37 years, we can draw some satisfaction and also feel dissatisfaction. The reason for satisfaction would be the progress attained in some sectors of our economy. Dissatisfaction is due to the fact that progress has not been in matching magnitude to the scope. Invariably, low and slow spread of infrastructural net work has dominated as principal impediment.

This turn is attributable to our past neglect in development of the steel industry at home. Happily, this major deterrent has been overcome, better late than never. The emerging challenge is to recover the time lost in making of steel at home and regain the growth grounds already lost. To face this challenge squarely and imaginatively, it is essential: (1) to ensure full supplies of steel to its growing demand, (2) to keep prices reasonable, which would be at par with world market prices and (3) to produce quality and precision steel so that the downstream industries do not face difficulties in products' making and wastages do not pile up.

The Pakistan Steel has been created, to recall, not for its own sake but to be a source for fillip to the national development, to impart success to the second phase of our industrialisation, which aims at creating adequate facilities for making capital goods at home at the earliest feasible. The Pakistan Steel, reckoned as engine of growth shall function like it, by all means and measures.

The government, management, officers, staff headed by its enterprising Chairman and associates of Pak Steel Project have done a commendable job by completing this gigantic project in a record span of period and we pray to Almighty that may it bring industrialisation and prosperity for our country.

PAKISTAN

COMPLETION OF PAKISTAN STEEL HAILED

Karachi BUSINESS RECORDER in English 15 Jan 85 p 2

[Text]

Today begins of a new era in our economic history. Completion and formal inauguration of the Pakistan Steel by the President of Pakistan, Gen. Mohammad Zia-ul-Haq, is an event of great significance not only from the economic point of view but also from the social and political angles. For, objectively speaking, in these times no country can exist independently and attain prosperity without having its own steel. This is no exaggeration. It is really unfortunate that we took 37 years to enter the steel era. And the irony was that even after a decision was taken and the construction of the mill had started, there were people who opposed its completion. They branded it 'the white elephant' and considered it to be a big drain on our resources. Why they did so, is not very difficult to understand. They actually spoke someone else's language

and vehemently opposed the idea of setting up a steel mill in the country. Their argument was that since it would be a white elephant, like so many other countries, let us also continue to depend on others for our steel needs. Those so many others were and still are the satellites of one power or the other. Self-sufficiency in steel is not only what the Chairman of Pakistan Steel, H.N. Akhtar calls 'a giant leap forward in the realisation of self-reliant economy', but also as big a leap towards total and complete sovereignty. As such, Pakistan Steel is a national project and on its completion today, the nation deserves to be congratulated.

Almost a decade back, the foundation stone of the mill was laid. The nation had to invest a sum of Rs. 25,000 million in it. Many a project had to be sacrificed to keep the construction of the mill going.

But the nation should not be sorry for all that it had to relegate to the background so as to complete this gigantic project. It required perseverance and sacrifices. We are proud to have fulfilled the commitment we had made to ourselves. The mill is expected to attain the optimum level of 1.1 million tons of production within the next two years. Its capacity can and will be expanded by hundred per cent during the Seventh Five-Year Plan period. According to the figures quoted by the PSM chief, the value of the steel products at optimum level would be around Rs. 7000 million, with a foreign exchange saving of Rs. 2000 million a year. The actual significance, he added, would be by way of strengthening the engineering industrial

base which, when attained, is likely to yield value-added items worth Rs. 20 billion a year. These figures are enough to signify the gains which would accrue to the nation.

Now with a view to maximising these gains, we will have to expedite the setting up of downstream industries. The Government has already announced some concessions to the private sector to invest in this sphere. Some such projects are reported to be taking concrete shape. It is encouraging. But the pace of investment in these projects has got to be stepped up. With the fast developing heavy engineering industries in the country, there exists wide demand for their products which is a pre-requisite for such investments. We

hope that the investors would come forward and help in the creation of an effective base for the maximum utilisation of the steel mill.

Looking at the project from the social point of view, it would open up vast employment opportunities for the people. Besides, the Pakistan Steel has also opened up doors to the transfer of modern technologies to this country, so vitally needed and so grudgingly passed on by those who possess them. Pakistan is, indeed, grateful to Soviet Russia for the aid and assistance it has provided in the establishment of steel industry. This will stand out as a milestone in the growth friendship between the two countries.

CSO: 4600/230

PAKISTAN

## PUNJAB PLANS DIRECTORATE OF MINES

Karachi BUSINESS RECORDER in English 15 Jan 85 p 3

[Text]

LAHORE, Jan 14: A proposal to set up a separate and independent Directorate of Mines and Mineral Resources in the Punjab is under the active consideration of the Provincial Government.

The Government is at the moment awaiting a feasibility and financial viability report from the Governor's Development Working Team to which the proposal has been referred for its recommendations.

The proposal emanated from the long felt necessity to give a professional look to this highly technical and scientific department of national life.

For the last 14 years, a team of vast technical know-how has been playing second fiddle to a network of civil service officials in the Directorate of Industries, hampered by the traditional redtapism.

The scant progress that this team of technologists and scientists have been able to achieve in the field of mining must be credited to their individual initiative.

The operation which they would like to have completed in months has taken years because of procedural and organisational constraints.

This departmental setup has not only slowed down the pace of advancement and caused considerable financial harm to the prospectors, but it has also weighed heavily on the conscience of those in the mines and Mineral Resources Wing who were confident to deliver the goods on time and in productive manner if they had the choice.

The Government is reportedly seized of the situation in its entire perspective and is expected to take an early decision to provide an effective remedy.

CSO: 4600/230

PAKISTAN

REVIEW OF 1984 TALKS OF 'MARCHES BACK'

Lahore VIEWPOINT in English 10 Jan 85 pp 17-19

[Text] As one looks back on domestic developments in Pakistan during 1984, it is impossible to suppress the wish that all this had happened somewhere else, for in all important fields (the economy is not included in the present review as its plight needs separate full-length treatment) either the nation is seen making forced marches back to square one or there are definite signs of a further slide down from values of civilised existence adopted many, many decades ago.

Since almost everything in society depends on the nature of its political superstructure, the principal concern of the people was the regime's promise to restore representative rule. The mass yearning for democratic elections alone can explain the regime's efforts to keep the election theme alive throughout the year.

The Promise...

In January, the CMLA said the 1973 Constitution was intact, but in the following month he repeated his earlier declaration that the Constitution would be amended before the polls and hinted at the possibility of elections taking place in 1984. At the same time he said nominations to the next Parliament were possible and, during his tour of Baluchistan, argued that nominations were useful. The schedule for elections and amendments to the Constitution were promised within three months. In March, the CMLA announced his 12-point plan for the future polity. The same month he suggested the possibility of a referendum if political parties did not accept polls on a non-party basis. He argued that polls on party basis would lead to another Martial Law. Later on, in April, he said a fourth CMLA and a fourth Martial Law could not be ruled out. On the 8th of April he said he had no political ambition and would not contest an election. A day later, the CMLA again referred to the possibility of a referendum on the question of Islamisation, but not on his term of office. Some time later, he expressed the view that the President should be elected before elections to the National Assembly were held. At the same time, the Election Commission was reported to have been directed to start preparing for the polls. In May, Ali Ahmad Talpur endorsed the CMLA's view that the President should be elected before the general election and added,

according to most reports, that Pakistan needed a permanent President. Punjab Governor Jilani made a rare reference to elections in May; he endorsed the Aug 12 plan and suggested that provincial assemblies might be elected first. Some weeks later, in July, Governor Fazle Haq apparently echoed Gen Zia's statement of April 8 that the leaders of the regime had no political ambitions and that they would not stand for elective office.

#### Pleas to Zia

At the beginning of August, Gen Zia was quoted as saying that the next Federal Council would have all legislative powers and that he would agree to serve as President (after elections) if requested. Soon afterwards the members of the Majlis-i-Shoora were reported to have begun a campaign to secure signatures on an appeal to the CMLA-President to stay on in office. However, in his Independence Day speech, Gen Zia dwelt mainly on Nizam-i-Salat. Around the same time, Talpur's renewed plea that Gen Zia should stay on in office to complete the process of Islamisation was picked up by local bodies, several of whom passed resolutions embodying this demand. For some inexplicable reason the drive was soon discontinued.

Meanwhile, quite a few things suggested preparations for a general election. Advisory Council Chairman Khwaja Safdar said (August) that he was certain that elections to Assemblies would be held first (before that of the President). The CMLA's statement in September that the polls would be a re-run of 1977 elections and, therefore, there was no need to reallocate seats to the provinces in the N.A. was construed as a desire not to delay the election. In October, an Election Coordination Committee of the Cabinet started meeting aspirants to political office and selection of area leaders was rumoured. Several election laws were amended. However, Gen Zia put a brake on public enthusiasm by declaring (October) first that transfer of power would take place only after a new Shoora had given assurances that Islamisation would continue and, later, that what he had in mind was only sharing of power (by the armed forces and civilians) and not transfer of power.

#### Referendum

Early in November, the Election Commission was authorised to modify the Assembly constituencies. The Federal Cabinet reviewed plans for a general election and the Election Coordination Committee completed election arrangements and even saw a mock polling demonstration. Suddenly, the Committee chief, Interior Minister Mahmood Haroon resigned from the Cabinet. The event unleashed a spate of speculations which were not set at rest by explanations by him or by others. On Nov 20 the Election Commission said arrangements for the general election had been finalised and two days later Local Bodies Minister Jamali declared that polls for Assemblies would be held first of all. A mere eight days later, the CMLA-President made the surprising announcement about a Referendum on Islamisation and if the people voted Yes to Islamisation policies then he would be elected as President for five years. Explaining his Referendum decision to newspaper



editors he said that after the Referendum he would quit his post as Chief of the Army Staff. The Referendum was held on Dec 19 and there is no need to recapitulate the event--it is fresh in people's mind and is unlikely to be forgotten ever.

#### Politicians' Response

The political parties' response to the regime's declarations showed little change from the positions adopted in the preceding year. Miss Benazir Bhutto's exit from the country in January only hardened the defunct PPP's opposition to any election unless it was held under the 1973 Constitution and the election laws in force in July 1977. The same stand was maintained by the PNP (defunct). The JUP, JUI and NDP (all defunct) reiterated rejection of non-party polls. The MRD, as a whole, called for boycott of and resistance to elections planned in a manner other than that demanded by the Alliance. The Tehrik expressed reservations about the boycott call, saying that it would make up its mind only when the election plan had been announced, but declared that it would not accept any election formula which did not carry a built-in mechanism for transfer of power. The Jamaat (defunct?) alone remained willing to take part in any elections but some of its leaders, Prof Ghafoor in particular, did emphasise the need for all-party accord to have the 1973 Constitution revived. And Mian Mumtaz Daultana led a band of Pagara League stalwarts in echoing the MRD call, leaving the Pir of Pagara alone to carry on his one-man comic show which might have entertained the regime's leaders but did not amuse the people. Towards the end of the year, the Referendum produced the highest level of political consensus, only the purse-holding faction of Mian Tufail in JI dissenting and inventing an excuse to support the Referendum.

#### Restrictions

Otherwise, the regime's cat-and-mouse tactics towards the political leaders continued. Mr Asghar Khan was released from confinement but prevented from going to Sind; he was allowed to visit Lahore but people learnt of his activities here only from the order of externment eventually served on him. Likewise, Mr Ghulam Mustafa Jatoi was allowed to come to Lahore and address a few receptions before he was put on a plane for Karachi and told to stay out of the Punjab. Resort to preventive detention and restriction on travel by political figures was frequent. In the summer, when political leaders raised the tempo of their activity, the Press was told not to forget the curbs on the reporting of political activity. The warning had immediate effect. As the year drew to a close a slight and tentative relaxation in curbs on political meetings was visible. In Karachi, the MRD leaders were detained a day before they were to hold a meeting at the Quaid's Mazar on Dec 25 (a small meeting did take place) but in Lahore, where the MRD was able to hold protest meetings on Dec 19 and 21, the Quaid birthday meeting was allowed.

The political opposition found the task of mobilising the population as hard as ever. Except for an anti-inflation week in January, it could not make much of an effort to identify the common man's problems either.

## Tension on Borders

The country's other major concern during 1984 was the worsening situation along its borders. No decisive progress was possible on the situation concerning Afghanistan. Mr Cordovez visited Islamabad, Kabul and Tehran in April and one more round of proximity talks was held in Geneva in August, but the only redeeming feature was that the parties agreed to keep talking. The CMLA-President went to Moscow to attend Mr Andropov's funeral and found the climate much colder than on his earlier visit for Mr Brezhnev's last rites. Moscow's decision to cancel Foreign Secretary Naik's visit in July revealed a hardening of Kremlin's attitude, an impression not dissipated by the Yakubo-Gromyko meeting in October. Meanwhile, on special occasions, reports of Afghan shelling across the frontier increased manyfold.

At home, the plea for direct talks with Kabul was reiterated by Mr Ramay, Maulana Noorani and Air Marshal (Retd) Asghar Khan. At the end of 1984, the crisis allowed to develop around Afghanistan appeared more ominous than in the preceding year. At the same time, public opinion in the country grew more and more alarmed at the presence of Afghan refugees and the freedoms allowed to them, such as the freedom to hold 'jihad' gatherings and address Press conferences in the Capital.

## With India

On the other sensitive border--with India--also, 1984 proved to be a year of tension. Trouble in Kashmir was reported in January and by autumn the situation appeared to have become pretty serious. However, in summer the meeting of Foreign Secretaries was reported to have cleared the decks for a durable understanding between the two countries despite Indian charges of Pakistan's support to the Sikh extremists. The climate was dangerously spoiled by two hijackings. In July, a group of Sikh extremists hijacked an Indian plane to Lahore. They, however, surrendered to the local authorities. Pakistan decided to try the hijackers and the Indians were not exactly happy that their demand to extradite them was not accepted. A more serious incident occurred in August when another Indian plane was hijacked to Lahore. The hijackers this time were allowed to go to Kuwait where they surrendered. The Indians alleged that the hijackers had been given a revolver at Lahore. Pakistan has persistently repudiated this allegation but somehow the Indian public opinion convinced itself that the Sikh extremists had received some encouragement by Pakistan or in Pakistan. The assassination of Indira Gandhi further fuelled the tension. However, the CMLA-President's trip to Delhi to attend Mrs Gandhi's cremation ceremonies and his meeting with Rajiv Gandhi eased tensions somewhat.

## Overbearing Ally

Apart from anxieties caused by relations with estranged neighbours, the display of extraordinary interest in Pakistan by its reinstated friend--the USA--continued to add to people's apprehension about their security. The stream of high-level visitors continued throughout the year--a team of Congressmen in January, Brzezinski in March, Vice-President Bush in May.

Under-Secretary of State Murphy in October, Democratic Senators in November, and the chairman of Joint Chiefs of Staff (on a five-day visit when all visits had been cancelled in view of the Referendum) in December. Visits by people like Buckley (to set up a Radio Free Europe office in Islamabad) and experts on region's affairs were in addition. Speculation about U.S. bases on Pakistan soil never ended despite Gen Zia's repeated denials--he once called stories about bases a 'bizarree joke.' One reason for popular misgivings was the belief that Mr Yusuf Khattak, who pleaded twice for allowing the US bases, or Pir Ashraf, who even suggested accommodation with Israel, were not the only lunatics at large in the land.

#### Law and Women

1984 saw further erosion of the rule of the law. The law of Qisas and Diyat was approved in spite of opposition from lawyers and women organisations, but it was not enforced probably because of difference of opinion among the theologians. A new law of evidence was, however, duly enforced. The lawyers pursued their 'Save Pakistan' campaign with increased vigour. Their protest did not save the lives of three boys who were hanged after trial by a military court nor has it yet changed the verdict of death on four others. During the year the lawyers stepped up their campaign for the rights of under-trials and political detenus which did increase public awareness of their rights. There was considerable pressure of foreign public opinion for a regular trial of those arrested in January, on the charge of arms smuggling, but 1984 ended without any trial having begun.

It was a year of endless tribulation for women, the polite words addressed to them in December notwithstanding. In April, the Nawabpur outrage shocked the nation. An amendment to the Penal Code did not satisfy the women organisations who were forced to mount an agitation against the laws of Qisas and Evidence. If anything, the year added to women's grievances against discrimination.

The students, too, experienced one of the worst years in their history. Student unions were banned and despite repeated promises the alternative councils did not materialise. The IJT discovered with a shock that a military regime could not tolerate a private army of even faithfuls. It defied the parent body (Jamaat) to conduct violent demonstrations; scores of students were rusticated, arrested and sentenced. But eventually Mansoor had its way and the administration, too, discovered the virtues of selective leniency.

As for the teachers, the conviction of Dr Arif, President of Karachi Teachers Association added a most painful chapter to the story of suppression of academic freedom in the country.

## The Press

The Press had its own woes. The year began with the proposal of a Press Council scheme and ended without any progress. Twice the APNS and CPNE held joint sessions to hear the Information Minister's homilies, but neither their supplications nor their decision to challenge the Press Ordinance in a court of law had the slightest effect. On the other hand Raja Zafarul Haq had his name inscribed in history when he became the first Information Minister to admit that official advertisements were given to newspapers in consideration of their policies. The Shariat Court ruled the Press Ordinance un-Islamic and the Government went in appeal--that is pending. In December, the Press learnt it could not publish unofficial results of the poll and yielded, as usual, without a whimper.

## Torhi Incident.

1984 was the year of 'dakoos.' The interior of Sind seemed to have been abandoned to the police and the 'dakoos' who apparently got along well enough till the Torhi outrage gave the people a new insight into the use of violence. The incident became the biggest factor of Sind's resentment.

## Bereavement

It was a year of unbearable bereavement. Faiz abandoned his people in November, followed by Daman. Earlier, the world of music lost Khurshid Anwar, and the journalist community A.T. Chaudhir. And people had occasions to remember the folk saying that when Heavens decide to punish a people they recall their messengers of love and hope.

There was much else but one does not know where to place interludes of tragicomedy in a spectacular farce. Like the Shoora call to replace May 1 with 9th Zil Haj as the Labour Day or the Anti-Qadiani Ordinance, or the Barelyvi conquest of Badshahi Mosque (in May), or the mid-summer diversion of a five-day-week.

What will posterity think of the Pakistani adults of 1984?--A.O.

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PAKISTAN

POLITICAL CLIMATE: UNCERTAINTIES DISCUSSED

Lahore VIEWPOINT in English 10 Jan 85 p 9

[Article by Ayaz Amir]

[Text] What sort of a mad world are we living in, my masters? One would have thought that the Referendum had made one or two things pretty clear. It had demonstrated that the regime was out on a limb. It had also shown that any future electoral exercise which bypassed the major political parties would lack credibility. Once that had happened, could things remain the same?

The MRD could not afford to ignore this mood. So it launched a protest campaign which has already seen a number of public meetings held in Lahore. The free use of loudspeakers is an indication of a change in the political climate. The sizeable MRD rally on The Mall on January 4, the first one in years; is another. Nor is this the end for more meetings are planned.

Fruitless Exchanges

One would also have thought that at a time when these fresh winds were blowing across the Punjab, no one should have doubted the need to strengthen the common effort rather than to weaken it. Can it be forgotten that at the height of the MRD movement in 1983, a handful of Rightist politicians (representing the more unprincipled parties) were encouraged to talk to the Government? Nothing could and nothing did come out of these fruitless exchanges but they served to distract the attention of the people. This being the case, what should one's reaction be to the soggy reports coming from Karachi that some top-ranking figures in the MRD are in touch with the Government with a view to arriving at some sort of a political compromise?

Jatoi as Premier?

According to Press reports (first carried by Reuters), these MRD leaders having set aside their objections to the mode of the coming elections (party vs non-party) were now looking beyond them to the powers of the new National Assembly. The Government reportedly willing to tone down the August 12 formula, was said to have given the assurance that the Prime Minister would enjoy substantive powers and that the proposed national secur-

ity council would have a civilian majority. This means that an effort is being made to convince these MRD leaders that the coming elections will pave the way for a genuine sharing of power. To make matters more credible, it is even being suggested that Mr Jatoi's name is being considered for prime ministership. He has travelled along this path before but for the time being let that pass until he returns from London to which goodly place he was planning to go according to the morning papers on January 7. (Mr Jatoi has since denied any plan to go to London). It sounds improbable but the so-called moderates and Rightists of whom the regime seems to be so fond, might just fall for this line. Perhaps they have had more than they can carry. Mir Ejaz Ali Talpur's defection to the Sind Cabinet and the reported readiness of a large number of PPP leaders to take part in the elections are indicative of a serious depletion in the ranks of Mr Jatoi's Sind constituency. While this may have induced a more accommodationist stance on his part, he should know that if he surrenders to this mood, he will be doing no service to democracy and may well be committing the gravest blunder of his political career.

#### Plan Not Clear

In the heat of the moment basic issues should not be ignored. Important questions relating to the August 12 formula are still not clear. These include the question of the status of the 1973 Constitution; the powers of the President and the Prime Minister; the role of the national security council; the election rules of 1977, etc. While all these matters are relevant they are as nothing compared to two absolutely vital issues. The first is the question of Martial Law; when will it be lifted? The second is the question of the army command: will Gen Zia relinquish it once elections to the new National Assembly are over? A genuine advance towards the civilianisation of the present regime is just not possible as long as there is no agreement on these two points. The so-called moderates should not over-estimate their capacities for in the presence of Martial Law any powers conferred on a future prime minister will be worth as much as the paper they are written on.

While guarantees from the other side are revocable, there will be nothing revocable about the matter if the MRD seizes the olive branch being extended in its direction. The moment it signifies its willingness to participate in the coming elections, it will mean that it has accepted the results of the Referendum. Egypt may tear the Camp David agreement to shreds but what will that signify? In return for the Sinai, Sadat gave to Israel what it could never hope to achieve by conquest alone: respect, legitimacy and legality. These gifts cannot be revoked.

#### Not Going Back

The same holds true for the MRD, or at least for that rump in it which is pursuing a settlement so keenly. Once it does a Camp David there will be no going back. The regime will stay where it is.

The trouble is that although the people have learned a lot during the last seven years, their leaders seem to have learned nothing. Time and again they have done things ordinary political workers would never dream of doing. For the sake of trivial advantages they have sacrificed established political principles. The cancelled elections of 1977 and 1979, not to mention the imposition of Martial Law itself, are monuments to their collective folly. But after seven-and-a-half years of rigorous political experience, it is not too much to expect that they would have outgrown some of their innocence or at least have realised that a dispensation such as the existing one is inherently incapable of amicably accepting any organised form of political expression. Politicians and political parties are redundant commodities in such a set-up. If they have failed to imbibe this lesson no one can help them.

Several people have been offered the prime ministership in the past. Nothing came of these overtures just as nothing will come of the present exchanges. But the movement whose seeds have been planted in Lahore will suffer.

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PAKISTAN

COMMENTARY ON GEOPOLITICAL REALITIES URGES ACCOMMODATION WITH USSR

Islamabad THE MUSLIM in English 4 Jan 85 Magazine p 1

[Article by Ikram Azam]

[Text] Whatever 'one's views on the theory, motives, rationalisation and results of the recent national referendum on the President a-la Islam, his recent address to the nation set one thinking seriously on Pakistan's prevalent geopolitics--internal and external. The President was obviously confident and jubilant. But he was also apparently in a reconciliatory mood. And that, to me, was the crux of the matter and the high key-note of his speech--hopefully.

There has been general peace of sorts over the last seven years. But was peace of uncertainty and suspended animation. At best, that of a hopeful, prolonged interregnum. And nothing lasts forever--least of all an interim. Yet there have been bureaucratic politics without politics, per/se, with the real politics proscribed, political parties banned and politicians along with their media, banished, interned or otherwise silenced. This status quo continues. No wonder that without popularly participatory and representative national politics, we feel so insecure and unstable as a nation. It's about time that the popular political status-quo-ante were restored.

Islamic Factor

There has been much talk of Islamisation but little headway, because, like all else and always, Islamisation, too, has been bureaucratised in Pakistan! And the erstwhile "Royalist Rasputins of an elite service" are any and everywhere, either domination or acting behind the scenes, remote-controlling, computer-like. Yet the Islamic way is the one of consensus, compromise and conciliation--NOT confrontation or conflict. Therefore, the urgent and immediate need to start a sincere dialogue with all the political parties and politicians--well in advance of the promised elections, 1985. That, not just to elicit their earnest opinions or cooperation, but much more, to ensure the people's popular participatory politics at the nationally representative level. Let us admit straightaway candidly that "party-less politics" are a misnomer and a contradiction in terms. In fact, an impossibility. It takes one back by centuries to the Greek city-states, from



when the present day party politics have evolved, as the so-far best organised and disciplined means to ensure healthy and viable politics. Only when the whole multifarious nation is united, one and well integrated, can we really begin to feel secure and stable and not lever-menaced from within and outside. And there's just no denying the fact that Pakistan is a federal (and certainly NOT unitary) nation-state--precisely because it is a multi-dimensional, diverse society, comprising so many regions, provinces and languages--which only enhance its inherent beauty, variety and viability, making it more interesting, arresting, and spell-binding. That necessitates that all the Pakistani languages should be given equal status and importance.

Yet--despite this belying reality--Punjab, the big brother, has borne the brunt and burden of the blame for ruining Pakistan. The solution to remove this misunderstanding--or reality of sorts--may well lie in cutting the big brother to size. As in India. That is the pragmatic geopolitical and realistic socio-cultural cure. Let the old demand for the Saraiki Suba be conceded gracefully. Also, let the poorest, barani and backward portion of the Punjab, the "Puthwar" region between the Rivers Attock and Jhelum, be given a living chance, through its own distinct entity and identity. And within it, by the way, there is no reason why the present-day constituencies cannot be redrawn. For instance, there is no justification for Murree to be dumped with Kahuta. Likewise, the most dominant and prosperous part of the Punjab, central Punjab, comprising Lahore, Sheikhpura, Gujrat, Gujranwala and Sialkot, etc can also be given its own provincial status, in keeping with its distinctive socio-cultural pattern.

Having set the example in the Punjab, other provinces might themselves like to emulate its success. Geopolitically, rivers and mountains are the traditional boundaries. And there's nothing sacrosanct about administrative units. After all, in Ranjit Singh's time, the Punjab extended from Delhi to Kabul, (including Kashmir)! The basic principle should be that a nation-state's regions are small enough to be administratively and economically viable, but not too big even to dream of secession. But if the present "Division" are splintered into provinces, only the CPS (governors) will ride roughshod!

#### Externalities

We are professedly non-aligned for the last few years. Yet really still dove-tailed to the West, which couldn't care less for us, except for its own convenience. This was amply proved in the recent American election campaign--when not a mention was made of Pakistan or Afghanistan, while the rest of the Islamic leaders were branded as 'mad-men'! Isn't Afghanistan, after all, a Muslim country? If Russia and China can talk today, why can't we--directly--with all our neighbours? If we could recognise the reality of Bangladesh over a decade ago, why shouldn't we accept Afghanistan? Why do we have to rely on dubious proxies and suspect brokers? If Pakistan hasn't got communised by China, how will Russia succeed in reddening it?

The local population is already feeling uneasy because of the Afghan refugees, not to mention the security risk of subversion and the reality of rampant drug addiction. If Afghanistan is allegedly socialistic today, what about Bhuttos', Soekarnos', Nasser's and Ghaddafi's Islamic Socialism? Let's not be duped by our own rhetorics! Neither all Hindus nor all Jews are extremists and fanatics. Those two nations are a reality, too. And if really we profess to be such realists and pragmatists, we need to cultivate and neutralise at least the enlightened moderates among them. Confrontation and conflict, whether national or international, must ultimately give way to good sense, sanity and balance, compromise and conciliation. But then, it takes two to make peace and war. The Indians and Israelies, too, must recognise, accept and respect the reality of Islam and the World of Islam, including the Palestinian people and their natural right to nationhood and statehood. For Palestine, predictably, is tomorrow's democratic progressive pace-setter, peace-maker and trail-blazer in the Middle East and the Mulsim World.

There are no eternal enmities/enemies in politics--national and international confrontation and conflict must submit to consensus and compromise, peaceful coexistence and progress. Now is the time for Pakistan to start such dignified dialogues at home and abroad--presciently and futuristically. Both the traditional and the non-traditional/personal channels need to be tried out.

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PAKISTAN

**NASRULLAH SAYS 'REFERENDUM HAS COMPLICATED SITUATION'**

Karachi DAWN in English 10 Jan 85 p 12

[Text]

LAHORE, Jan 9: Nawabzada Nasrullah Khan thinks that the Dec 19 Referendum has further complicated the political situation and urged its annulment, and the restoration of the 1973 Constitution as it stood on July 5, 1977.

Talking to "Dawn" the veteran political leader said, the Referendum had changed the complexion of the 1973 Constitution because as a result of it the presidential form of government had been introduced whereas the Constitution provides for the parliamentary system. According to him, not only the Constitution but the Government's own formula of Aug 12 had been bypassed.

The Nawabzada said, the MRD stood by its charter and there would be no compromise on it. He said that general election under the 1973 Constitution was the only way out of the present political crisis and the MRD was not prepared to give in under any circumstances.

Nawabzada Nasrullah Khan doubted whether the future assembly would be sovereign, adding, that under the Aug 12 plan, which provided for a National Security Council and nominations to parliament, no assembly could be sovereign.

The leader of the (defunct) Pakistan Democratic Party, repudiated reports that there had

been talks between the Government and the MRD leaders. Such reports were a deliberate attempt to create confusion in the minds of people and help the Government get out of the web of contradictions woven by the Referendum.

Mr Nasrullah Khan said, no offer of a dialogue had been made to the MRD. As for the reported meeting Mr. Ghulam Mustafa Jatoi and Khwaja Khairuddin had with the Government, the Nawabzada said, both the leaders had themselves denied this. He said that the MRD believed that there was pressure on a section of the Press to publish news which could mislead the people. He said that the much talked about meeting at the residence of Mr Abid Zuberi was attended by four persons and the Press was making a mountain out of a molehill. Similarly, Mir Ejaz Ali Talpur had joined the Sind Government much before Dec 19 but an impression was being created as if he had changed his loyalties after the Referendum.

Nawabzada Nasrullah Khan condemned what he called "the mass-scale arrests of MRD workers and police raids on their residences." He said that no amount of harassment could break the will of MRD workers and hoped that the Jan 12 meeting at the Nila Gumbad Mosque in Lahore would be larger than the MRD rallies held so far.

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PAKISTAN

## NDP CANCELS MEMBERSHIP OF LEADER

Karachi DAWN in English 10 Jan 85 p 12

[Text]

PESHAWAR, Jan 9: The central leadership of the defunct NDP has suspended Mr. Abid Zuberi from the basic membership of the party with immediate effect and has asked him to explain within seven days why he should not be removed from the party in the light of press statements attributed to him.

The secretary-general of the party, Abdul Khaliq Khan, has in a letter to Abid Zuberi, released to the press here on Wednesday, said that press statements attributed to him were in contradiction of fundamental policies of the party. He should therefore clarify his position within seven days.

In a press statement, Mr. Abdul Khaliq Khan said that since "so called elections are being held under orders of the CMLA and ML regulations and are not in keeping with the provisions of the 1973 Constitution and the 1977 Election Rules, therefore the party has unanimously decided to boycott them completely." The secretary-general said: "If any member of the party participates in the so-called elections direct or indirectly, his membership of the party will be considered automatically cancelled."

Calling the "so-called proposed elections" a hoax and a continuation of the violation of people's democratic and fundamental rights, he said that the defunct NDP would not be a party to liquidation of people's rights.

Meanwhile, Begum Nasim Wali Khan, a leader of the NDP, disc-

losed here that somebody cast the vote of the late Arbab Sikandar Khan, a former Governor of NWFP, in the recent polling. She regretted that even the dead were not spared by the vested interests.

### Malik Qasim

According to another report, Malik Mohammad Qasim, a leader of the MRD, said here on Wednesday that the MRD would continue to resist peacefully the violation of the 1973 Constitution, by which it firmly stood. In this connection he recalled certain incidents at various places in Punjab, including the provincial capital.

Malik Qasim, who arrived here Wednesday afternoon "to meet Wali Khan and other MRD leaders," stressed that the alliance stood by its four points and categorically stated: "We have already decided not to participate in any elections which are held in contravention of the 1973 Constitution and the 1977 Election Rules."

Referring to the "role the Election Commission has played of late," Malik Qasim said "We have reasons now to doubt very much the fairness of elections due to known bureaucratic interference, even if they are held under the '73 Constitution and '77 Election Rules."

Malik Qasim, who met pressmen at Bilour House, was accompanied by Mr. Kabir Wasti, general-secretary, Punjab Muslim League, and Raja Mahmood.

CSO: 4600/229

PAKISTAN

PARTIES REGISTER WITH ELECTION COMMISSION

Karachi DAWN in English 13 Jan 85 p 8

[Text]

KARACHI, Jan 12: The Pakistan Election Commission registered 16 political parties and permitted four more to put up candidates in the general election under the Political Parties Act.

The 16 registered political parties are: Ghareeb Awam Party, Karachi; Inqilabi Council Pakistan, Multan; Jamaat-i-Islami, Lahore; Jamiatul Ulema-i-Pakistan, Lahore; Khalq-i-Khuda Party, Karachi; Majlis-i-Ahrar-Islam Pakistan, Multan; Pakistan Mehnat Party, Rawalpindi; Pakistan Musawat Party, Lahore; Pakistan Muslim League (Chatta group), Lahore; Pakistan Muslim League (Qayyum group), Islamabad; Pakistan National League, Karachi; Pakistan Progressive Party, Karachi; Pakistan Shia Political Party, Lahore; Pakistan United Minorities Council, Peshawar; Progressive Peoples Party, Rawalpindi; and Tehrik-i-Istiqlal, Lahore.

The registration was notified on Oct 2, 1979.

On Oct 9, 1979, the Commission declared the following four political parties "to be eligible to participate in an election to a seat in a House of Parliament or a Provincial Assembly and to nominate or put up a candidate at any such election."

Pakistan National Alliance, Lahore; Jamiatul Ulema-i-Islam Pakistan, Lahore; Pakistan Muslim League (Pagara group); and Markazai Jamiat-i-Ahle Hadees,

Lahore.

The Political Parties Act of 1962 was amended through an ordinance on Sept 31, 1979, requiring the political parties to get themselves registered with the Election Commission and requiring them to submit their balance sheets and details of accounts, etc.

The Commission invited registration applications on Sept 10, 1979, and prescribed Sept 30, 1979, as the last date for this purpose.

The two notifications pertaining to registration of the 16 political parties on Oct 2, 1979, and eligibility of four more on Oct 9, 1979 resulted from this exercise.

The Political Parties Act of 1962 emerged from Article 173 of the then constitution, providing that "no person shall hold himself out at an election as a member of a political party unless permitted by Act of the Central Legislature."

The Act, inter-alia, provided that "no political party shall be formed with the object of propagating any opinion or acting in any manner prejudicial to the Islamic ideology, or the sovereignty, integrity or security of Pakistan, or morality, or the maintenance of public order," or with the aid or help of any foreign element.

It will be recalled that the amended provisions of 1979 were hotly contested by many political parties and a few, including the defunct PPP, NDP, and PNP did not apply for registration nor agreed to submit the accounts to the Commission, under protest.

PAKISTAN

## PROBLEMS FACING CANDIDATES DISCUSSED

Karachi DAWN in English 13 Jan 85 p 8

[Text]

KARACHI, Jan 12: The requirement of obtaining no fewer than 50 proposers/seconders for each nomination paper for the forthcoming general election would create too many problems and difficulties both for candidates and the election machinery.

Assuming that the standard procedure would be followed, political observers said, the nomination form would require the particulars of each proposer including photocopies of the relevant pages of the electoral roll where the proposer's name appears, his national identity card, besides, of course, his signature/thumb impression etc.

It would also require all proposers to be personally present before the returning officer at the time of the filing of nomination papers for the verification of signatures etc.

This in itself would be a big task, the observers said adding that, among other things, a candidate would have to arrange to transport proposers to the office of the Returning Officer.

On the part of the Returning Officer, the problem would be on ac-

count of the space to accommodate such a large number of people at one time.

"Think of the situation where there are 10 or 15 candidates, each turning up with at least 50 proposers. It would be like a public meeting," they observed.

In most of the cases, the problem would aggravate as several Returning Officers might be housed in a single premises like the City Courts, the office of the Deputy Commissioner (West), or the Deputy Commissioner (East) in Karachi's situation.

For 13 National Assembly seats for Karachi, for instance, about 130 nominations can be a safe expectation. For these, at least 6,500 proposers would have to be physically present before the Returning Officers — an average of about 2,200 at each of the three Deputy Commissioners' offices, they explained further.

They hoped the Government would review the decision to make it less inconvenient both for candidates and the election machinery.

CSO; 4600/229

PAKISTAN

# MRD REAFFIRMS STAND ON ELECTIONS

Karachi DAWN in English 13 Jan 85 p 8

[Text]

KARACHI, Jan 12: The MRD's basic stand that only poll held under the 1973 Constitution and the rules thereunder will be acceptable, was reaffirmed at a meeting held here on Saturday in response to the call given by Malik Mohammad Qasim, convener of the MRD.

It was further resolved that no dialogue with the Government was possible without prior acceptance of the MRD's four-point founding declaration.

The meeting, held in the Railway Workers' Union premises on I.I. Chundrigar Road, was attended by 200 and odd activist workers and addressed by almost all the representatives of the MRD's coalescing parties.

Those who spoke were Khwaja Khairuddin, MRD's Secretary-General; Qari Sher Afzal (Jamiat Ulema-i-Islam), Prof N.D. Khan (PPP), Mr Iqbal Haider (Qaumi Mahaz-i-Azadi), Mr Fatehyab Ali Khan (Mazdoor-Kissan Party); Mr Hasan Firoz (NDP), Mr Yusuf Masti Khan (Pakistan National Party) and Mr Nasimuddin (Pakistan Democratic Party).

Mr Ghulam Mustafa Jatoi, who had proceeded to Hyderabad on Friday, could not return in time for the meeting. Sardar Sherbaz Khan Mazari left Karachi for his home village Rojhan on Friday, according to his set programme.

Khwaja Khairuddin brushed aside reports published from time to time about the alleged meeting of the MRD leaders with the Government. Dubbing these reports as "inspired and motivated", he said people should not give them any credence and, on the other hand, have full confidence in the collective unity of the MRD's central leadership on the MRD's four-point formula.

Mr Fatehyab Ali Khan, criticising the role of a section of the Press, burnt the copies of two national dailies. He threatened that if other newspapers did not change their stance, the MRD workers would also lodge a similar protest.

Mr Iqbal Haider said there could be no compromise between, what he termed, democracy and autocracy, 1973 Constitution and the 1981 PCO (Provisional Constitution Order), and the "elected and selected elections".

CSQ: 4600/229

PAKISTAN

## PRO-ELECTION PPP, NDP ELEMENTS JOIN HANDS

Karachi DAWN in English 18 Jan 85 p 10

[Text]

KARACHI, Jan 7: Dents in the rank-and-file of the MRD (Movement for the Restoration of Democracy) came to surface for the first time here on Monday, with dissidents of the defunct PPP and NDP publicly joining hands on the premise that they would take part in the promised general elections, whether held on a party or non-party basis.

The occasion of their joint declaration was a get-together at the residence of former central information secretary of the NDP, Mr Abid Zuberi, where over 50 workers of the PPP and some 25 of the NDP endorsed the call for a change "from confrontationist to cooperative politics".

Prominent among those present were the Sind Planning Minister, Mir Aijaz Ali Talpur (already expelled from the PPP); Mr Abdus Sattar Gabol, former Federal Minister; Syed Abdullah Shah, former provincial minister; and Mr Khair Mohammad Panwar — all from the PPP. Those representing the NDP included Mr Abid Zuberi; Sardar Hakim Ali Zardari, former MNA and president of the NDP, Sind; Mr Hasan Brohi, secretary, MRD, Nawabshah; Mr Mahfooz

Akhtar, Secretary, MRD, Sukkur; and Mr Ahmad Dehlavi (Larkana).

Dr Shamim Zainuddin of the defunct Tehrik-i-Istiqlal attended the joint meeting, though, unlike other leaders, she did not make a speech.

Before the arrival of the dissident PPP workers led by Mir Aijaz Talpur, the two groups of the NDP and PPP held separate meetings and decided to forsake the boycott line and to participate in the political process "for the sake of democracy".

At the joint meeting, Minister Aijaz Talpur, Mr Gabol, Syed Abdullah Shah (PPP), Mr Zardari and Mr Zuberi (NDP) assured each other on behalf of their respective workers of working jointly for contesting the National Assembly and provincial assemblies seats "in service of the people."

They rhetorically asked what the MRD leadership had gained by pursuing the policy of confrontation and boycott, except instigating poor people to lay down their lives and to suffer privations and hardships in jails. They wondered how Martial Law could go unless the people participated in the democratic process.

Mr Abid Zuberi said: "The worst type of democracy is much better

than the most benevolent autocracy". He said the MRD had failed in its politics for a "change of face" with the result of the referendum.

Mir Aijaz Ali Talpur said he had contacts with the people of Sind who, he claimed, were keen on taking part in the elections. According to him, 90 per cent of the former PPP members of the National Assembly, Senate and provincial assemblies were in favour of participation.

Mr Hakim Ali Zardari said the defunct political parties were ridden with the personality cult and not run on democratic lines. "We want to finish with this unwholesome tradition in politics," he added.

Mr Abdus Sattar Gabol said he and his colleagues had made a representation in writing to the exiled PPP Chairman in London, protesting against the unilateral decision to boycott the elections and insisting that their views should be heard by the PPP leadership in the country.

Mr Abdullah Shah said that the politicians should go along with the mood of the common people which, he claimed, was for taking to the democratic path and not for doing anything that would jeopardise the security of the country.

CSO: 4600/226



PAKISTAN

STRONG PLEA MADE FOR BIHARIS' REPATRIATION

Karachi DAWN in English 18 Jan 85 p 7

[Text]

THE President's meeting with a delegation which was led by the Mayor of Karachi has yielded the assurance that the question of the plight of the Biharis now leading a precarious existence in Bangladesh would be placed before the Pakistan Cabinet. Recent incidents in Orangi, Karachi, which resulted in the loss of five lives have once again drawn attention to the present and future of that group of unfortunate people who became — and remain — the human debris of the great debacle of 1971. The question of the repatriation of Biharis, also called stranded Pakistanis, from the camps in Dhaka is one of the left-overs of that tragedy, and though 13 years have gone by the problem remains one of the irritants to our relations with Bangladesh. About 170,000 people were repatriated to Pakistan under the 1973-74 agreement. But nearly 250,000 of them, who could not technically be accommodated under the categories agreed upon then, are still languishing in refugee camps in Bangladesh. The fact has to be faced that the affected people exercised their choice in favour of this country on two occasions — in 1947 and in 1971. On both occasions they suffered tremendously on account of their

allegiance. In 1971 they had this allegiance severely tested. They proved steadfast in their loyalty, not only refusing to side with the movement for secession from Pakistan but taking grave risks in opposing it. This is history and cannot be denied, regardless of what the current dictates of convenience may be. \*

Truly, there are complexities involved, and we are often told that there are limits to compassion which it is not always easy or wise to cross. However that may be, the fact remains that the present Pakistan is a successor to a debt coming from the days of pre-December 1971 Pakistan. Whether and how this debt of history should be discharged is a question we are now called upon to answer. As already mentioned, one factor which calls attention to the problem is the possibility of the matter putting unnecessary strain on our relations with Dhaka. Furthermore, the matter has lately been agitated internationally — something which is embarrassing to Pakistan as well as to Bangladesh. The Committee for the Resettlement of Stranded Pakistanis in Bangladesh set up in England under Lord Ennal

and Dhaka's recent warning to place the matter before the OIC could give publicity to the issue which neither of the two governments would find very flattering. It is, therefore, absolutely vital that they arrive at an agreement and solve it along agreed lines.

A few months ago the Government of Bangladesh was reported to have offered to grant citizenship to those Biharis who choose to stay in that country. If Dhaka is sincere in its offer, it should be possible in today's changed political circumstances to give the members of the Bihari community the opportunity to make a free choice to stay. Given adequate international financial support for rehabilitation in Bangladesh and provided they find the Government at Dhaka sympathetic, fairly large sections of the community may choose to make Bangladesh their permanent home. Those that do will naturally owe allegiance to that country. As for those, who are still in favour of being repatriated, arrangements should be made for their transportation. Economic considerations and the imperatives of regional equilibrium demand that the responsibility for those who are brought over to

Pakistan is shared equitably by all the provinces. The funds offered by the Rabita Alam al-Islami should meet the initial cost of repatriation. A short-term public programme of relief and rehabilitation spread over, say, two years can take care of the problem. Private relief agencies can play their part in helping the operation. As it is, those who arrive should be able, after they are integrated into community life here, to fend for themselves, as did those Biharis who arrived in the seventies. There is precious little the official agencies did for those who now live in Orangi. Though accepting new immigrants will at first strain national resources somewhat, the arrival of people who are certain to cherish their new home will eventually prove a source of strength in different ways. In time they should make a positive contribution to the country's progress and development. Also there should not be much doubt that after their nightmarish experience of sub-human existence of well over a decade, they should be willing and eager to make a special contribution of their own to the material well-being of the host-provinces and to seek cultural integration with their old inhabitants.

CSO: 4600/226

PAKISTAN

#### POLITICAL PRISONERS IN NWFP LISTED

Lahore VIEWPOINT in English 10 Jan 85 pp 14, 15

[Text] The Political Prisoners Release and Relief Committee has once again demanded immediate release of all political prisoners undergoing sentences or facing trials at various prisons in the country. Particular mention was made about those who have been sick and need proper medical attention.

In a Press release issued in Lahore by the Committee Convener, Malik Mohammad Qasim, Secretary-General Ch. Liaquat Husain Warraich, and several other members, grave apprehensions were expressed over alleged denial of normal facilities under prison rules to political leaders and workers interned at Lahore, Rawalpindi, Karachi, Hyderabad, Multan, Bahawalpur, Sialkot, Jhelum, Sahiwal, Attock and Haripur. It was stated that 54 prisoners facing trial for high treason before a special military court at the Kot Lakhpat Jail were ultimately persuaded by the public opinion leaders to end their long hunger-strike in protest against denial of legal facilities. But the jail authorities did not adopt a fair attitude. The prisoners, fifty of whom had boycotted the trial proceedings, were still being kept in fetters in 'C' class, while the special military court, having completed trial proceedings in absentia, had reserved its judgement.

The Committee took strong exception to the claim by the NWFP Governor that all political prisoners in the province had been set free. It released a list of 86 persons still languishing in the Haripur Jail, their internment period ranging from 12 to 64 months.

The Committee demanded retrial in ordinary court of Malik Ayub, Saifullah Khalid, Issa Baloch and Nasir Baloch, who have been awarded death sentence by a special military court at Karachi.

The Committee has released the following provisional list of political prisoners detained in the NWFP jails. They were kept in special camps for a long period and most of them are now kept in fetters in 'C' class: (The period of detention is given in brackets).

## Central Jail Haripur, NWFP Period of Detention

1. Imtiaz Alam, Advocate, Bahawalnagar (48 months); 2. Sher Ali Bacha, Mardan (48 months); 3. Abdul Naeem, Advocate, Swabi (39 months); 4. Babu Fazal Khaliq, Peshawar (38 months); 5. Isa Khan, Peshawar (20 months); 6. Zar Mohammad, Peshawar (37 months); 7. Jahan Zeb, Peshawar (35 months); 8. Kamran Haider Kani, Khanpur (42 months); 9. Bunyad Hussain, Peshawar (14 months); 10. Mohammad Ali, Kurram Agency (49 months); 11. Inam Khan, Kohat (34 months); 12. Jahangeer Khan, Kohat (30 months); 13. Shamsul Haq, Charsada (28 months); 14. Meer Ahamd, Charsada (20 months); 15. Zafar, Charsada (16 months); 17. Shoaib Saqib, Charsada (16 months); 18. Ghulam Ali, Parachinar (18 months); 19. Iqbal Hussain, Parachinar (24 months); 20. Sabir Hussain, Parachinar (24 months); 21. Jafar Ali, Parachinar (24 months); 22. Shah Babu, Peshawar (40 months); 23. Lal Mohammad, Peshawar (20 months); 24. Shah Rehman, Peshawar (63 months; Convicted for 14 years RI); 25. Gul Baz, Tribal Area (34 months); 26. Ajar Khan, Tribal Area (34 months); 27. Hikmat Shah, Tribal Area (34 months); 28. Sikandar, Tribal Area (34 months); 29. Ghazi, Tribal Area (34 months); 30. Said Mohammad Umar, Tribal Area (22 months); 31. Amir M. Wahiz, Tribal Area (63 months; Convicted for 20 years R.I.); 32. Mohabbat Khan, Charsada (43 months); 33. Rahim Dad Khan, Charsada (32 months); 34. Ismail Khan, Charsada (36 months); 35. Gul Bacha, Charsada (31 months); 36. Zahir Shah, Charsada (30 months); 37. Ajab Gul, Charsada (30 months); 38. Mohammad Zada, Charsada (33 months); 39. Dr Masood, Charsada (45 months); 40. Mohammad Jan, Charsada (20 months); 41. Gul Jan, Mardan (35 months); 42. Mohib Gul, Mardan (45 months); 43. Iqbal Zahid, Mardan (16 months); 44. Asi Hashtnagri, Mardan (34 months); 45. Malik Tammam, Mohmand Agency (35 months); 46. Jan Said, Mohmand (18 months); 47. Ihsan Nabi, Malakand (39 months); 48. Noor Mohammad, Malakand (41 months); 49. Akhwanzada, Dir (35 months); 50. Bakht Zaman, Dir (39 months); 51. Zijazul Haq, Karachi (34 months); 52. Salem Jan, Karachi (18 months); 53. Kahalil Qureshi, Karachi (49 months); 54. Gul Hussain, Parachinar (31 months); 55. Qadam Ali, Parachinar (34 months); 56. Said Mohammad, Chitral (18 months); 57. Rustam Ali, Gujranwala (21 months); 58. M. Jawad Hussain, Sialkot (20 months); 59. Ghulam Mustafa, Rawalpindi (20 months); 60. Wazir Gul, Peshawar (20 months); 61. Aijazul Haq, Karachi (30 months); 62. Saleem Jan, Karachi (12 months); 63. Khalil Qureshi, Karachi (43 months); 64. Gul Hussain, Parachinar (25 months); 65. Qadam Ali, Parachinar (28 months); 66. Said Mohammad, Chitral (12 months); 67. Rustam Ali, Gujranwala (15 months); 68. M. Jawad Hussain, Sialkot (14 months); 69. Ghulam Mustafa Rawalpindi (14 months); 70. Wazir Gul, Peshawar (14 months); 71. Said Mohammad, Miran Shan (31 months); 72. Umarzada, Swat (35 months); 73. Mohammad Ghulam, Kurram Agency (30 months); 74. Dr Mohammad Salim, Ghazi (Hazara) (39 months; Convicted for 3 years); 75. Masood Afridi, Khyber Agency (33 months); 76. Master Mir Ali Shah, Bannu (24 months); 77. Ghazi Gul, Khyber Agency (27 months); 78. Bakht Jan, Waziristan (30 months); 79. Majeed Khan, Kohat (40 months); 80. Tariq Zeeshan, Abbottabad (16 months); 81. Noor Rehman, Darband (Hazara) (64 months); 82. Nasir Butt (Sialkot) (detained since 1981); 83. Tariq Gul (detained since 1981); 84. Jabbar Khattak (detained since 1981); 85. Abdul Naeem Malakand (detained since 1981); 86. Ihsan Nabi, Malakand (detained since 1981).

PAKISTAN

## POSITIVE STEPS URGED TO CHECK INFLATION

Karachi DAWN in English 9 Jan 85 p 5

[Text]

SPEAKING to newsmen the other day President Zia-ul-Haq said that effective measures will be taken to control the prices of essential commodities. He did not elaborate any further, but his statement comes in the wake of a price rise in the country that is disquieting. In the last fiscal year the Consumer Price Index registered an increase of 8.4 per cent compared to 4.5 per cent in 1982-83. Comparable figures for the Wholesale Price Index were 10.5 per cent last year and only 3.5 per cent in 1982-83. It has been suggested that last year most of the price increase was in the first six months, and that measures subsequently taken by the Government, such as a ban on cotton export and a tight credit policy, did much to hold down prices in the subsequent six months. Certain specific reasons were also put forward as having contributed to the increase in prices last year. These included the depreciation of the rupee against the US dollar, the decline in agricultural production, the effect of the large monetary expansion in the previous year, that is 1982-83, and the increase in prices of some commodities by the Government. These no doubt contributed to the price increase in 1983-84, but other

factors were also responsible. While official circles will readily admit to certain other disorders which were obvious, such as a slowdown in industrial production, some of the basic causes for price increases tend to be ignored, or accorded much less importance than they deserve.

While it is admitted, for instance, that the prices of certain items which are administered by the Government were increased in 1983-84, it is not admitted at the same time that behind some of these increases there is a history of inefficiency, sinecurism, extravagance and corruption. The operation of public sector enterprises, some of which enjoy a monopolist's position, is something that has long been criticised. While there are no doubt some which are properly run, there is wastage of resources in various forms in the others. Since many of these public sector enterprises are either oligopolies/monopolies or have such an over-bearing influence on the economy that free market operations are not possible. The obvious result is that the people ultimately have to pay for the wastage and inefficiency in such enterprises as there is no market mechanism by which the correct price can

be arrived at. For instance, cement is a commodity whose price is controlled by the Government because of its large manufacturing interests, and for which the people have had to pay through their noses. Apart from charging people for the inefficiency of public enterprises, there is at the same time a pronounced tendency on the part of the Government to raise finances by arbitrarily increasing prices of goods manufactured by it or, more commonly, of services offered by it. In the latter case, since it has a monopoly in so many public utilities there is a significant impact on the cost of living. Last year, for instance, the price of gas was raised by 12.5 per cent for domestic and 20.9 per cent for industrial consumers.

Another very important factor which leads to monetary expansion and subsequently puts pressure on prices is the large outfit of the Administration and the corruption that is part of it. Although the Government has tried at times to counter criticism by taking resort to such measures as imposing cuts on expenditure across the board, the appalling waste in this area needs other, more positive, measures. Not only is there overstaffing in most departments, mainly because

people do not work as they should, there is also considerable unnecessary expense on officials at the middle and higher levels. The end-result of the huge non-developmental public expenditure, which also registers sharp increases every year, is that sufficient finances are not available for essential development works. The answer is taking resort to loans both within and outside the country — which adds to debt servicing and interest payment problems — and other forms of financing which contributes to inflationary pressure. Fortunately the price situation in the country has not been too bad for the last several years. Annual increase in the Consumer Price Index has not exceeded 12 per cent in the last eight years — except 1980-81 when it was slightly more — but this does not mean that the economy can absorb shocks indefinitely without the inflation rate reaching ruinous proportions. In fact, in the first four months of the current fiscal year the Consumer Price Index rose by 7.7 per cent, which is not a healthy sign. Positive steps are needed to remove the factors inbuilt in our system that are inflationary in nature, so that the economy is better able to withstand disasters which are beyond human control, such as a harvest failure.

PAKISTAN

## CRISIS IN ENERGY CAUSES CONCERN

Karachi DAWN in English 9 Jan 85 Business Supplement p I

[Text]

LAHORE, Jan 8: An emergent joint meeting of all the Chambers of Commerce and Industry has been convened here on Jan 12 to discuss the state of the economy against the backdrop of the energy crisis.

The Chambers of Commerce and Industry have assigned Mr Riaz Sami, a former member of the Working Group, which studied the question of energy before the formulation of the Sixth Five-Year Plan, has been assigned to prepare the industrialists' brief.

### Production falls

Meanwhile, private studies indicate that there has been a steep decline in industrial production since the introduction of gas and electricity loadshedding.

Manufacturers are indignant that the loadshedding schedule was announced without consulting

the industrial sector.

According to these studies, the Punjab has been the hardest hit by power and gas shortages and is losing over 400,000 man hours a day. There are about 5,000 registered factories in the Province with a minimum average of ten workers per unit.

### Average

The average loadshedding of gas and electricity is also ten hours a day.

Industrialists dispute that there has been an increase in the Gross Domestic Product in the current fiscal year. On the contrary, overall production had fallen by 40 to 60 per cent, while industrial production had declined by 15 per cent.

They charge that bad planning in the management of the power and industrial sectors is the main cause of this debacle.

PAKISTAN

## SELF-SUFFICIENCY IN CRUDE OIL SAID AT 25 PERCENT

Karachi DAWN in English 10 Jan 85 Business Supplement p I

[Text]

ISLAMABAD, Jan 9: The daily oil production, which shot up to 28,000 barrels with the beginning of 1985, has enabled the country to achieve 25 per cent self-reliance, the Minister Incharge for Petroleum and Natural Resources, Dr. Mohammad Asad Khan, disclosed here this afternoon.

Addressing a Press conference, the Minister said the country's crude oil production at the beginning of 1984 was around 12,000 barrels per day, meeting only nine per cent of the country's demand. But as a result of the determined technical leadership at the top of the oil sector and the resultant policy actions, aimed at encouraging and promoting public as well as private sector in petroleum exploration in Pakistan, the production and the self reliance level, during the last 12 months, increased by about two and a half times, he added.

The Minister said that this momentous production enabled the country to save close to Rs. 3000 million in foreign exchange during the last fiscal year, and projected that the saving will be doubled (close to Rs. 6,000 million) during the next year's oil import budget.

### Gradual progress

Dr Asad Khan said that the pace of advancement in petroleum exploration during 1984-85 has been most remarkable for both the public and private sectors. Following two major discoveries by the Oil and Gas Development Corporation at Tando Alam in Sind and Mandiput in the Punjab, the OGDC has, increased the production from

2100 barrels to around 9,000 barrels per day.

The Minister said in the Potwar oil fields region in the Punjab, the new discoveries at Dhurnal in April last has added a new dimension to prospects in the area. In the past, oil wells in this area produced a few hundred barrels a day per well. The production of each well from Dhurnal is in the range of 4,000 to 6,000 barrels per day. This discovery has opened up new vistas for oil exploration in an area which in the past was regarded as already having reached its full oil production potential, he said.

Similarly, he added, southern Sind was earlier regarded as a gas-bearing region, and a number of exploration companies had declared it barren of oil as well as of gas. Last year, the petroleum sector's new leadership's encouraging attitude has, however, led to major and most significant discoveries of oil in the region at Leghari, Tajedi, Dabi and Tando Alam, and of gas at Golarchi.

### Past

The quantum of success of the present efforts, he said, can be judged by the fact that during the first 36 years, after Independence only four oil discoveries were made, but during the last year, six oil discoveries have already been made. Efforts which are going on and the results which are coming to light are most encouraging, and for the first time a real headway is being made in this sector.

Dr. Asad Khan said the entire petroleum exploration sector has been reoriented in the light of international advance.-PII

CSO: 4600/228



PAKISTAN

## SINKING RUPEE SAID TO INCREASE 'ECONOMIC WOES'

Karachi DAWN in English 10 Jan 85 p 9

[Article by Sultan Ahmed]

[Text]

THE sagging Pakistan rupee has floated down to 15.43 to a U.S. dollar—a fall of Rs 5.53 or 56 per cent since it was de-linked from the dollar three years ago.

The hope of some powerful financial operators that the rupee may go down much further is reported to be inducing them to send some of their money abroad non-officially and bring it back later through official channels at the higher rupee rate per dollar which they expect then.

Since the forecast of such elements in the past that the rupee would go down to 15 to a dollar has been vindicated and they are richer for that, they assume, on the basis of economic trends at home, that they cannot go wrong now.

### Trade and industry

Normal trade and industry, however, have no such fears for the immediate future as they can buy foreign exchange at the official forward rate for the next six months. But the cost of investment and development is soaring. The countries whose currencies have not appreciated substantially in relation to the rupee is too small in number, and not very significant for our development purposes—to import capital goods less expensively from them.

The burden of the Government, and through that of the tax payers and the masses who pay the indirect taxes which from 80 per cent of the Federal revenues, becomes increasingly heavy every time the rupee goes down. The over 10 billion dollar foreign debt of Pakistan has to be repaid at the rate of Rs 15.43 to a dollar instead of Rs 9.90 as in January, 1982, when the rupee was de-linked, unless the constantly appreciating dollar comes down substantially.

In this fiscal year the Government budgeted Rs 5,194 million for repayment of interest on foreign loans, and Rs 4,697 million as repayment of the principal—a total of Rs 9,893 million. But because of the depreciation of the rupee after June when it was Rs 13.98 to a dollar far more rupees than budgeted have to be mobilised, increasing the budget deficit thereby, to make those payments.

A heavy new burden on the Government arises from the foreign exchange insurance cover introduced three years ago. Under that facility, if the borrowers pay 3 per cent or their new outstanding loans every year they will be enabled to repay their loans at the rate at which they borrowed. If such borrowers have paid nine per cent of their loan so far as foreign exchange cover for their dollar loans the government has to pay to the creditors 56 per cent more. This can cause a severe drain on the Government's

resources unless the dollar climbs down from its giddy course.

The rupee is tumbling not because of its basic weakness as much as the soaring strength of the dollar. It has been said that the dollar is overvalued to the extent of 30 per cent as the Japanese yen is undervalued by 30 per cent.

It is often claimed that if the rupee is doing badly against the dollar it is not faring badly against many other currencies, and, in fact, doing well as against some of them. It is doing well against four major currencies. Since the de-linking in January, 1982, the rupee has appreciated against the sterling pound by 6.94 per cent, against the Chinese Yuan by 2.74 per cent, against the French Franc by 8.31 per cent and against Italian Lira by 3.36 per cent.

But contrast that with the appreciation of the U.S. dollar by 56 per cent, Canadian dollar by 40 per cent, Japanese yen by 36.38 per cent, Singapore dollar by 45.45 per cent, and the Deutsche mark by 13.46 per cent, not to mention other currencies which have risen less.

In the oil zone the increase has been 43.75 per cent for the Kuwaiti dinar, 49 per cent for the Saudi riyal, and 56 per cent for the UAE dirham and Qatar riyal. That is where our oil comes from, and oil prices are fixed in dollars which means we pay 56 per cent more in rupees for that. So while the world oil prices came down, the internal price of oil shot up three times. Even the fact that the spot market price of oil has hit the lowest of 25 dollars a barrel since 1979, from the peak of 40 dollar, and OPEC price of 34 dollars and the current 29 dollars, may not deter the Government from asking us to pay more for our oil. And now Dr. Mahbubul Haq says we should pay as much for our gas as for the imported oil.

The initial hope after the rupee was delinked and brought down to Rs 12.78 to a dollar by January 1983 was it may not go down further rapidly. But between January last year and now there is a difference of Rs 1.86 to a dollar. Hence the apprehensions about the future of the rupee which was once Rs 3.33 to dollar, and until 1972 Rs 4.75 to a dollar.

## Oil zone

Will the dollar come down, and if it does when and by how much? It all depends on the size of the expanding U.S. budget deficit and how soon could that be shrunk, reducing thereby the dependence of the richest country in the world on the money from others, including the poor countries from where that goes illegally.

The latest estimate of President Reagan's budget director David Stockman is that the U.S. budget deficit which this year is expected to be 205 billion dollars, will rise to 217 billion next year, 233 billion in 1988 and 228 billion in 1988 — Reagan's last year — if there are no positive policy changes to reduce them.

He has hence come up with a spending cuts by 266 billion dollars over the next three years — an average of 89 billion dollars a year — to meet Reagan's goal of a 100 billion dollar deficit by 1988.

Such drastic reduction of the soaring U.S. deficit depends on a host of factors, including the readiness of Reagan to levy more taxes, contrary to his election pledges, and the agreement of the Congress to make the kind of cuts in expenditure, affecting the poor and low income groups more than others, which Reagan may want. It also depends on the success of Superpower negotiators in reaching agreement in Geneva and elsewhere on reducing their nuclear and space weapons, and curtailing the feverish arms race as a whole.

The painful fact is that if the Superpowers do not agree to having less arms the rest of the world will have to do with less of almost everything, and suffer on that score — the developing countries which are imitating the rich countries absurdly far more than others.

## Inflationary pressure

Meanwhile, the inflationary pressure at home is increasing. While the home remittances of Pakistanis are falling the amount of rupees received by their dependents is increasing steadily. The remittances fell by 13 per cent in the

first quarter of this financial year ending September. Simultaneously because of the depreciation of the rupee, they have been getting far more rupees for every dirham or riyal they have been sending. This trend has increased since September.

And if that reduces Pakistan's foreign exchange earnings, the 14 per cent fall in exports during the first five months of this financial year has aggravated that situation further. On the other side, imports last year jumped by 7 per cent in dollars to hit a record of 6 billion dollars or nearly Rs 100,000 billion.

Part of the export slump last year was the result of the 39 per cent fall in cotton output, coupled with a 12 per cent fall in wheat and three per cent fall in rice production. Official spokesmen are now confident of achieving a GDP growth of 8.5 per cent this year because of the peak output in crops expected, though the wheat harvest is far off. But because of the crash in international prices of cotton, following the world surplus, export earnings from cotton may not increase much. So the Governor of the State Bank has voiced the fear that the

export target of 21 per cent may not be achieved this year.

Of course, a bad economic year shows the next normal year in excellent light because of statistical illusions. But Pakistan undoubtedly has a difficult year ahead with falling foreign exchange earnings increasing balance of payments deficit, heavier debt burden and the need for larger revenues to meet its commitments and rising prices. Solutions to such problems are not easy, but it will be a folly not to take each of them seriously and find solutions, however painful or politically hazardous for a Government without a democratic base.

Not all these problems are of our own making. Some are the result of external happenings or impositions. But we have to admit their existence, analyse their varied causes and find tangible solutions. A falling rupee must be followed by adequate support measures instead of the Government gaining more through the higher import duties which result from that. The issues must be brought into the open and discussed instead of being swept under the carpet, hoping for better times.

CSO: 4600/228

PAKISTAN

COMMENTARY DISCUSSES POLITICAL COLLABORATION, TEMPTATION

Karachi DAWN in English 10 Jan 85 p 9

[Article by Ghazi Salahuddin]

[Text]

"WE ARE in a long and dark tunnel and I don't see light at the end of it". This is how a former judge of the Supreme Court of Pakistan summed it up. And with these words, uttered by Mr. Dorab Patel, a seminar on constitutional issues held on Sunday at the Karachi Press Club came to its conclusion.

Is this a fitting epithet for a serious discussion of issues that relate to our destiny? Well, before I go any further, I must admit that I have hesitated for some time before making this beginning. Only about a couple of columns ago had I ventured to be cheerful. I sensed hope in some developments that took place in December. I was happy about what I would call the creative inaction of our people.

In the process, I wanted to shake off the cloak of sorrow that has concealed my faith in the ultimate triumph of those who now suffer and feel incapable of changing "this sorry scheme of things entire". I rang in the new year spiritedly. The farewell to 1984, too, was not entirely a lament.

I was also aware, slightly, of new stirrings — and I am not referring to politics. There has been a touch of defiance in how people speak about and interpret current events.

But now I am stuck with this image: the long, dark tunnel without any light at the end of it. This had really been my refrain, though I was always searching for new expressions to convey the mood. We certainly are trapped in a dark tunnel.

But the light I spotted recently — was it of the train coming from the opposite direction? After all, it was Mr. Justice (ret'd) Dorab Patel, a man definitely more perceptive than a handicapped journalist, who passed the judgment. And he did so in the court of public opinion.

However, the seminar at the Press Club was not just a mournful ceremony for the demise of hope. It provided realistic, down-to-earth analyses of our constitutional crisis in the overall perspective of our judiciary's tryst with Martial Law, doctrine of necessity and "usurpers".

The list of speakers speaks for itself. Mr. Justice (ret'd) Fakhruddin G. Ibrahim was there. And also Mr. Yahya Bakhtiar, the lawyer who, I feel, is a very important witness to the history of this traumatic phase. Mr. Aitzaz Ahsan set the stage for the discussion with an interpretive resume of the struggle for rule of law. Other speakers were Mr. Justice (ret'd) M.A. Sayeed, Mr. Justice (ret'd) Abdul Hafeez Memon and Mr. Justice (ret'd) Fazle Ghani.

Mr Fazle Ghani had an anecdote to tell to underline the tested dictum that the power of the sword is stronger than that of the pen. Mr Yahya Bakhtiar, who called Ghulam Mohammad the first "usurper", noted how some distinguished lawyers had collaborated with every autocratic regime. A lot may be said about the role of the judiciary in this country and following Mr Fazle Ghani's remarks, Mr Yahya Bakhtiar and Mr Dorab Patel spoke about their own performance.

This is something that I had initially wanted to refer to, before I was derailed by Mr. Dorab Patel's reminder. Why do so many of our bright people, including politicians, become collaborators so easily? I do not want to talk about bourgeois selfishness. What has hurt me is the attitude of our intellectuals — writers, teachers, jurists.

It was pointed out at the seminar that some judges had taken oath under the Provisional Constitution Order of 1981 arguing that they could only do something from within. But later they said they were unable to do anything because they had taken the oath.

This explanation, that a "constituency for change" could be cultivated from within the

establishment, has become a cliché. It is easy to see that even if the intentions were good, there is no escape from sharing the collective guilt. And the flesh is weak. I have known some very nice people who are confronted with moral ambiguities but lack the courage of quitting the table of authority. Hence, we must honour people like Mr. Dorab Patel and Mr. Fakhrudin G. Ibrahim.

Look at what is happening in the realm of politics. Politics of submission was never defunct. It may be seen as the light at the end of the tunnel that more politicians and workers have held out in this difficult period than ever before in this country.

Still, the politicians who change their loyalties have to suffer a total change in their stance. New temptations are afloat with the prospects of elections. On Monday, a gathering of "pro-polls" defectors of (defunct) PPP and NDP was held in Karachi. At the same time, protest is also picking up. The die is soon to be cast.

As I said, intellectuals who conform for the sake of profit and power tend to inflict deeper wounds than politicians who shift allegiance. Have you heard of a World Intellectuals Association? It held a reception in Karachi on Tuesday to celebrate referendum verdict in a five-star hotel.

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PAKISTAN

## DEBATE ON ISLAM VERSUS WESTERN DEMOCRACY REVIEWED

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 84 pp 75-77

[Article by Mumtaz Ahmad]

[Text]

The problem of Islam and the state assumed new significance after the present martial law regime started the process of "Islamisation," postponed the scheduled general elections and extended its tenure for an indefinite period. These moves were preceded by statements of President Zia ul Haq expressing his dislike for the western democratic system and its institutions, parliaments, parties, elections and so on. He said that there was no scope for such divisive institutions in an Islamic polity and that he would introduce an alternative political system based on the true Islamic principles. He did not enlarge on what he actually meant by a "true Islamic polity," but it was apparent from his statements and actions that this "true Islamic polity" was anything but democratic and was not necessarily founded on the principle of majority rule. It was quite possible — and legitimate — in this system for an individual or a group to continue to rule the country against the wishes of the majority of the people. President Zia asserted that, according to Islam, only "right decisions" were to be respected and if the majority was "misguided" its verdict would have to be ignored.

It was against this background that a former judge of the Pakistan Supreme Court, B Z Kaikaus, filed a petition before the Shariat Bench of the Lahore High Court in October, 1979 contending that the parliamentary form of government and the then current party and elections system were repugnant to Islamic teachings. The major points of his petition were:

- Parliament is not a sovereign body in an Islamic society and, therefore, a Muslim citizen is not bound to obey the parliament. Also, there are always different groups and parties in the parliament which are opposed to each other; because of this diversity of views, politics founded on parliamentary democracy would lead to the ruin of the Umma.

- The government and khalifa are indivisible in Islam. A Muslim ruler is a "successor" of the Holy Prophet — all authority has been delegated by God to this ruler. Obedience, therefore, must be given to him and not to the parliament (shura). He may, however, consult the shura whenever he deems necessary.

- The only check on the ruler is that he should govern in accordance with the Quran and Sunna.

- The shura may not be a representative body since the principle of people's representation is not found in the Quran. Members of shura should be nominated by the judges of the Supreme and High Courts, and this shura should then choose the Amir from among themselves. There is no provision for the elections of a head of state through popular vote.

- No legislation is allowed in Islam; the shura is responsible only for the implementation of Sharia. The Amir can issue orders in the form of ordinances within the limits of Islam and does not need to consult anyone in this regard.

It would appear from the above contentions of Kaikaus that an Islamic state consists of rule by only one person who possesses all the power and authority

to govern the country in accordance with his own perceptions and views of what the Quran and Sunna demand. Since the masses are ignorant, illiterate and do not know enough about Islamic law they will have, therefore, no say in the election of either the shura or the Amir ul Momeneen.

But Justice Kaikaus was not alone in interpreting Islamic political theory in a manner which would legitimise an authoritarian martial law regime in Islamic terms — some ulema also joined their voices in support. Maulana Mufti Mohammad Hussain Maimi, a prominent leader of the Jamiyat-i-ulema-i-Pakistan and a member of the Council of Islamic Ideology, said that what really mattered was the enforcement of Sharia and that too much time should not be wasted in discussing the political means to achieve this objective. He went so far as to say that "Islamic history provides us with examples of varieties of forms of government; all of them were legitimate." Mufti Abdul-Qayyum, another prominent 'alim of Deobandi persuasion said that even if a person assumes political power by force or without right and establishes his control over the country with his military might, the ulema should accept him as a legitimate ruler and cooperate with him in good faith.

As for the role of shura and its composition, President Zia could also count on a mandate given earlier by Maulana Mufti Mohammad Shafi, the Mufti-e-Azam of Pakistan. In *The Importance of Shura in Islam*, published in 1976, Mufti Shafi wrote that the ruler was entitled to select his own shura and that it did not need to be elected by the people. According to him majority opinion, in most cases, is "misguided" and "harmful." The ruler, therefore, should only use the shura as a means to "enlighten him on various aspects of the issue." But once he has consulted the shura on a particular issue, Mufti Shafi argued, the ruler was free to take whatever course he wanted to take — he should not be bound to its advice.

These views were later forcefully challenged by Professor Khurshid Ahmad, member of the Central Executive of the Jamaat-e-Islami Pakistan and chairman of the Institute of Policy Studies, Islamabad. At a time when most of the Islamic parties and "Islamic-minded" intellectuals were reticent lest they should displease the powers that be,

Professor Khurshid's statement before the Shariat Bench was a bold proclamation of Islamic principles of freedom and democracy. Speaking on Kaikaus' petition, Khurshid argued that democracy was the spirit of the government system of Islam in which due respect was attached to the will and the opinion of the majority. He said that in the Islamic polity, every member of the community had a right to express his views freely and this right could not be withheld by an executive order. Shura must be an elected body which must enjoy the confidence of the masses — it should also be a decision-making body and its decisions were binding on the Khalifa. Without such a binding force, he stated, the Amir was likely to become a dictator. Khurshid suggested that the shura should have executive as well as legislative powers as is the case with the parliamentary system, and added that the modern parliament, functioning within Islamic tenets and without enjoying sovereign powers, could legitimately replace the shura as conceived in Islam.

Professor Khurshid rejected the assertion made by President Zia and others that the majority of the people were irresponsible and undependable. He said that decisions of the majority on important issues were never wrong. Referring to the official views on parties and elections, Khurshid said that political parties and modern election procedures were not in conflict with the modern democratic spirit of the Islamic polity. Instead of being repugnant to Islam, both parties and elections were greatly helpful in achieving the goals set by Islam. The need of the hour, therefore, was to institutionalise them after weeding out some minor elements which were in conflict with the Islamic principles. There was no restriction on the political parties in Islam and these would fall in the category of "mubah" or the permissible. Khurshid argued that elections facilitate political education on the one hand and the accountability of the leadership on the other — they provide the masses an opportunity to remove the leadership in case it has lost the people's confidence. The Amir and the shura should be elected for a fixed term. The elections, he argued, were a safety-valve against violence — if the door to a peaceful change of government was closed, the masses would be constrained to adopt other methods to bring about the change.

Professor Khurshid said that the "Olil Amr," as referred to in the Quran, comprised both the Amir and the shura and both must enjoy public support and confidence. He felt that any attempt to obstruct the election process in Pakistan would amount to obstructing the enforcement of the Islamic political system.

I have presented the views of Kaikaus and Professor Khurshid in detail because they represent two opposing ways in which Islamic political theory is being interpreted in Pakistan today. Kaikaus' interpretation of what constitutes an Islamic polity reflects the views of the military regime, while Khurshid articulates the opinion of the Islamic-democratic forces in the country.

The main thrust of the debate, as is evident from the above arguments, remains the question of the selection and powers of the head of government in an Islamic state. Zia and those who share his views seem to argue that since the common Muslim is almost totally ignorant of Islam and its values, he cannot be trusted to choose the right person to represent him. The interpretation of shura which this group finds acceptable is that the head of state either appoints, or controls the selection of, a merely advisory shura — with the advice, of course, being non-mandatory. The other view, held by the Islamic-democratic forces, argues that since the Quran commands Muslims to conduct their affairs through mutual consultation, and grants the privilege of khalifa to the entire Muslim community rather than to a single individual, the selection of a ruler and the shura must be based on the free will of the Muslim masses which can be ascertained only through free elections.

As was pointed out by Professor Fazlur Rahman, this debate raised the most fundamental question of the role of the Muslim masses or community in an Islamic vision of the state and society. Can a situation be called acceptably Islamic, Rahman asked, where the condition of the Muslim masses is so derelict that they cannot be trusted even with the task of choosing the right representatives to rule them? And if the masses are really so wanting, what shall be said of those who claim to govern them Islamically? The point is that if the theoretical substructure which must underline all Islamic structural designs is based upon the fundamental principles of equality, brotherhood, and

collective responsibility of the umma to enjoin good and prohibit evil, the rise of an "all-wise," absolutist ruler, or the emergence of a group of "religious experts" who arrogate to themselves all powers — while considering the rest of the Muslims as deaf, dumb and blind — cannot be considered acceptably Islamic.

Another development which was indicative of the way the military wanted to restructure the political system of Pakistan took place in 1980, when the constitution was amended to provide for the unrestricted power of the government to curb civil liberties and political freedom. The amendments also prohibited the civilian judges from interfering with the decisions of military courts. Again there were attempts to legitimise these measures in Islamic terms: as a matter of fact, Zia claimed at the time that these measures were prompted by his "paramount concern" to preserve the Islamic character of Pakistani society.

Soon after the constitutional amendments, the military regime allowed the Pakistani press to initiate a debate on what should be the future political system of Pakistan in the light of Islamic teachings. The idea obviously was to create an impression that there was no consensus on the exact modalities of an Islamic political system and that anything instituted in the name of Islam could very well become Islamically acceptable. The debate was also intended to highlight the differences among the Islamic political groups on the question of the future constitutional structure of Pakistan.

About one hundred ulema, intellectuals, leaders of opinion, politicians, ex-civil and military officials, and leaders of the Islamic movement participated in the debate. Interestingly enough, their views differed on the basis of where they stood in relation to the military regime — their definitions of an Islamic state ranged from a dictatorship of one individual to popular democracy of a utopian kind; and from a one-party state dominating all the institutions of civil society to a multi-party pluralist political system with free and regular elections on the basis of adult franchise. In retrospect, however, the debate proved counter-productive for the regime.

Opinion was so overwhelmingly in favour of the restoration of parliamentary democracy that the government had to call off the debate in the national press and instead resorted to the familiar tactic



of appointing special commissions, committees and councils to discuss the whole question of the basic principles of an Islamic polity and their application in Pakistan. One such committee consisted of 23 members of the Majlis-e-Shoora, the federal advisory council nominated earlier by President Zia; another group asked to discuss these questions and recommend a new constitutional scheme came from the country's leading academic institutions. The Islamic Ideology Council had appointed its own committee which was already engaged in a similar exercise. Over and above all these bodies, there was a "Cabinet Sub-Committee on the Future Political System" which consisted of senior generals and retired bureaucrats.

With the exception of the Majlis-e-Shoora committee, none of the others were allowed to publish their reports. It is generally believed, however, that these reports, in the main, faithfully reflected the government position on the future constitution of Pakistan. While all these reports paid rhetorical homage to the Islamic principles of shura, equality, and democracy, they nevertheless recommended a constitutional structure which could only be described as authoritarian.

In July 1983, Zia set up another commission under the chairmanship of Maulana Zafar Ahmad Ansari, a seasoned politician and a veteran of Pakistan's Islamic movement. The commission was asked to go through the recommendations of earlier committees and bodies assigned the job of discussing the future set-up of the government and to submit a report of its own on the subject. However, the report of the Ansari Commission was no different from its predecessors. Its underlying concern to reconcile the Islamic principles of shura, accountability and democracy with the reality of martial law could only be realised at the cost of normative contradictions and conceptual inconsistencies. Consequently, the report fails to establish any logical linkages between its discussion of the theoretical substructure of the Islamic political system on the one hand and the place of such modern-day political institutions as political parties, elections, parliaments, mass media and universal suffrage on the other.

The Commission recommended a system of "Shoorai Amarat" (consultative government) whose most "important pillar" was Amir. It also concluded that the present mode of elections was not in consonance with the Islamic principles — therefore, it recommended elections on a non-party basis. The commission restricted the membership of the shura to graduates of religious schools or higher educational institutions. A woman below the age of 50 could not become a member of the shura; she would also need a "written permission" from her husband in order to be considered as a candidate by the Election Commission. Another important recommendation of the Commission related to the establishment of a "National Council" — a favourite idea of Zia which he seems to have picked up from the Turkish model — a body consisting of senior military and civilian officials (both elected and appointed) which would take charge of all governmental policies and operations in crises situations.

In August 1983, President Zia spelled out a new constitutional framework on the basis of the Ansari report which provides for fundamental changes in the 1973 Constitution and calls for elections on a non-party basis by March 1985.

It is now clear from the recent statements of Zia that the elections of the shura will be held before the end of 1984. Given the fact that elections will be held on a non-party basis and that the Election Commission will exercise enormous arbitrary powers in screening the candidates, the newly instituted shura is likely to be no different from the one nominated by Zia in 1982. It is also expected that the first official business of the new shura will be to request Zia to continue as the president of this new "Shoorai Amarat."

The process of finding ways and means to operationalise the Islamic principles of state and polity has thus turned full circle: the power stays in the same hands and the debate on Islam and power remains inconclusive. On purely pragmatic political grounds, however, an argument can be made that a semi-elected government with a civilian facade is preferable to a high-handed martial law regime.

PAKISTAN

## INCOME TAX LAW TO BE REVISED

Karachi DAWN in English 18 Jan 85 Business Supplement p I

[Text]

LAHORE Jan 7: Powers of Income Tax Department will be revised soon under the new laws introduced for interest-free banking, official sources said.

The law provides an access to "creditors" to check accounts of the companies for the purpose of profit loss sharing.

According to official sources, apart from certain amendments made in some of the sub-sections and clauses of the Income Tax Ordinance 1979, under the Banking and Financial Services Amendment of Laws Ordinance 1984, a draft has been prepared for approval of the concerned authorities to make readjustments in the existing conventional pattern of working of the Income Tax Department.

### Declaration

Despite the fact that the declaration Income Tax Department will accept the declaration of banks in future, to be considered as partners in legal terms, the profits earned by a particular company in which a bank has made investments under 'Musharika' will be subject to full exercise of accounts checking for the second time by the Income Tax

Department provided the powers of the department were not be revised.

According to observers, if the mode of income tax collection was not changed it would not only discourage investment but would also open new ways of corruption, contrary to the spirit of Islamic system of economy.

In this regard the amendments made so far in the Income Tax Ordinance 1979, cover the annual deduction of redeemable capital, its limits and further utilisation.

### Meeting

Representatives of nationalised and foreign commercial banks, as well as the companies and private sector organisations are likely to meet here on Saturday to consider the issue and give their point of view.

Committees recently set up by the State Bank of Pakistan and the Pakistan Banking Council to suggest measures for interest-free banking will be also submit their observations and make recommendations, if necessary, the sources said.

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PAKISTAN

# COMPULSORY EDUCATION SEEN SUFFERING FROM LACK OF RESOURCES

Karachi DAWN in English 10 Jan 85 p 9

[Text]

THE decision by the education authorities to make studies upto Class III compulsory for children throughout the country so as to accelerate the process of universalisation of primary education' seems at best to be a premature move which could fail to achieve the desired objective. Obviously the decision has come in response to the concern which is being expressed at the low enrolment ratio at the primary level, which fell from 50 per cent in 1978 to 48 per cent in 1983. It has dropped even further and, according to the figures released in the Economic Survey, school enrolment today works out to 47 per cent of the population in the 5-9 years age group. But it is doubtful whether a precipitate move to make primary education compulsory is at all realistic or even feasible. The Government itself does not hope to provide education to all children in the next few years — the enrolment ratio is expected to be 75 per cent in 1988, that is, if the ambitious targets laid down in the Sixth Plan are met. At the present rate no progress is being made at all. If the low rate of enrolment were attributable to lack of motivation alone and the rate of expansion of educational institutions and of teacher training programmes

had been satisfactory, a move to make education mandatory could have served the very useful purpose of creating a thrust towards universal primary education. As it is schooling facilities for children of school-going age are inadequate and many children are denied the opportunity of learning because they cannot gain access to a school in the neighbourhood. How is it going to help to declare schooling compulsory when there are not enough schools to accommodate all the children of the relevant age group?

A significant trend to emerge from the meeting of the Provincial Education Ministers which agreed on this move is the overwhelming reliance which is being placed on the mosque schools. In fact the decision to make education upto Class III compulsory was taken on the ground that the mosque schools scheme has reduced distances and made schools easily accessible. There is no denying the fact that mosque schools can play a vital role in imparting literacy to children. We have before us the example of Bangladesh where these institutions emerged ages ago as a strong factor in the spread of education. But in our case, the mosque schools still have to make a

dent in the national problem of illiteracy. They offer some definite advantages, such as minimal capital investment on the construction of the school building and accessibility, especially in rural areas. But still the mosque schools cannot be made the focal point of our education system. In the first place, these institutions provide for only three classes and in the absence of the availability of a matching number of seats in Classes IV and V, there will be forced dropouts after Class III. Three years of schooling for a young child is not sufficient to make him literate for life and a child passing out of a mosque school might easily relapse into illiteracy, rendering the investment in three-year schooling a waste. Moreover, in the absence of availability of a sufficient number of trained teachers — at times persons not properly qualified are put in charge of the children — many of these schools might fail to attain acceptable standards. Thus in effect the country would have a dual system of education — one for the urban areas and the other, an inferior one, for the villages, where the mosque schools are mainly located.

It would be a sound strategy to base the primary education system on the regular institutions and use the mosque schools to supplement these, especially in remote and sparsely-populated areas. On the contrary unduly heavy reliance is being placed on the mosque schools without these schools having fully proved themselves. For instance, the Sixth Plan provides for the opening of 44,000 new schools of which 40,000 are to be mosque schools, most of which are to be in the rural areas. This downgrading of the cities and the regular schools could prove unwise. It is wrong to believe that the needs of the cities have been met, for the enrolment rate here is far from satisfactory at 72 per cent. Given the Government's failure to provide facilities for education for the country's 13 million primary school age children, a law making education compulsory for them — even for three classes — will prove before long to be a dead letter. It is important that first resources are provided for a large expansion of primary schools and for executing a crash programme of training of teachers and of production of books.

PAKISTAN

## EDUCATION TO GRADE 3 TO BE COMPULSORY

Karachi DAWN in English 18 Jan 85 p 1

[Text]

ISLAMABAD, Jan 7: The primary education Classes 1 to 3, will be made compulsory throughout the country to hasten the process of achieving universalisation of primary education.

This decision was taken in the sixth meeting of the Provincial Education Ministers presided over by the Federal Minister for Education, Dr. Mohammad Afzal here on Monday.

The meeting considered that the revival of the Mosque schools consisting of classes 1-3 would reduce distances and provide easy accessibility and encourage the reluctant parents to send their children to the schools opened at their doorsteps. With such facilities available, it was also considered necessary to introduce and enforce legislation for compulsory primary education.

The meeting approved the draft ordinance which provides for the practical training of students undergoing training in engineering, technical and technological courses in industrial establishments and undertakings for the period suitable for their respective disciplines.

It was decided in the meeting that liberal policy would be adopted towards permitting study leave to those teachers who intend

to join M. Phil and Ph.D. programmes at the centres of excellence or the universities. This would help in conducting useful research work and develop highly skilled manpower.

The meeting approved an integrated structure of education for the school system in Pakistan. In this framework primary schools would be supervised by the largest middle schools in the union councils. Similarly, the middle schools would be supervised by the headmaster of the high school. In the Union council the principals of the intermediate colleges would be made responsible for the academic assistance and supervision of the high schools. This low-cost arrangement would help to upgrade the professional competence of the teachers and improve the standards of educational institutions.

The meeting also decided that the policy of the announcement of dates of examinations a year ahead of their commencement would continue.

The meeting agreed that a national project would be made for the development of sports in schools and colleges to improve the general health of student community by promoting positive competition.—PPI.

CSO: 4600/226

PAKISTAN

BRIEFS

NEW ATTORNEY GENERAL--The President, General Mohammad Zia-ul-Haq has appointed Mr Aziz Munshi as Attorney General of Pakistan and Mr Liaquat Merchant as the Deputy Attorney General. The President had a meeting in Islamabad with Mr Munshi and Mr Liaquat Merchant and discussed some matters with them.--PTV [Text] [Karachi DAWN in English 9 Jan 85 p 1]

TRIAL HEARING ADJOURNED--Karachi, Jan 8--The Special Military Court resumed hearing of the case against six persons on the charges of abetment and subversion at Central Prison, Karachi on Tuesday. After a brief hearing, the court was adjourned for Thursday. All the six accused--Sadiq Umerani, Zahid Hussain, Ashfak Kulachi, Moula Bakhsh Burfat, Ahmed Khan and Noor Mohammad Brohi--were present in the court. [Text] [Karachi DAWN in English 9 Jan 85 p 6]

TALIBUL MAULA DENIES REPORTS--Hyderabad, Jan 8--The spiritual leader of Sarwari Jamaat, Mukhdoom Mohammad Zaman Talibul Maula of Hala, has denied Press reports that he had summoned his Khalifas and well-wishers to Hala in order to advise them to bring about some flexibility in their political thinking. In a Press statement, Mukhdoom Sahib said that it was a fact that his disciples, members of the Sarwari Jamaat and well-wishers had not participated in the Dec 19 referendum. He said that on Jan 4 he had asked the Khalifas of Sarwari Jamaat to take part in the ensuing elections if MRD's four points were accepted. About his meeting with Mr Ghulam Mustafa Jatoi, he said: "It was a private meeting in which Mr Jatoi had enquired about my health on my return from London where I had gone for treatment." He said further that he, his friends and members of his Jamaat would fully abide by the decision of the party in respect of the forthcoming elections. [Text] [Karachi DAWN in English 9 Jan 85 p 8]

PIA 'SERVICE OF PAKISTAN'--Karachi, Jan 8--The Federal Government has declared PIA as a "Service of Pakistan" and has declared all its employees as "civil servants" with effect from Nov 15, 1984. An Ordinance amending the Pakistan International Airlines Act (PIAC) Act, 1956 further declares that all the employees of PIAC would henceforth be governed by the Services Tribunal Act, 1973. The West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance, 1968,

or the Industrial Relations Ordinance, 1969, will not apply to any of the officers, advisers and employees of the PIAC, it says. The amended Ordinance empowers the competent authority to retire or remove from service any PIAC employee at any time without assigning any reason after giving him an opportunity to be heard and not less than 90 days' notice or pay for the period by which such notice falls short of 90 days. It further provides that no such order of retirement or removal shall be called in question before any court or tribunal, or other authority. [Text] [Karachi DAWN in English 9 Jan 85 p 8]

JOURNALISTS' DISMISSAL DECLARED ILLEGAL--Lahore, Jan 9--The Punjab Labour Court No 2 has ordered the reinstatement of seven senior journalists dismissed by the management of the Progressive Papers Limited, publishers of the Pakistan Times, Imroze and monthly Sportimes, on Sept 26, 1983. Announcing its judgment, the court declared that the orders of termination of the services of the journalists were illegal and ordered their reinstatement. The journalists whose services were terminated by the PPL management are Mr I.H. Rashid and Mr Riaz Malik of the Pakistan Times, Mr Masood Ashaar, Mr Shafqat Tanvir Mirza, Mr Badar-ul-Islam Butt, Mr Azhar Javed and Mrs Rakhshanda Hasan of the daily Imroze. Mr Anwar Ali Chaudhry advocate appeared on behalf of the applicants. It may be recalled that 10 senior journalists from the three local dailies were dismissed on the ground that they had signed a statement supporting the struggle of the people of Sind for the restoration of democracy. [Text] [Karachi DAWN in English 10 Jan 85 p 12]

MRD LEADERS SERVED NOTICES--Sujawal, Jan 12--Notices have been served to prominent leaders and workers of defunct MRD belonging to Thatta District for recovery of Rs 6 lakh fine imposed by Summary Military Courts, Thatta and Badin. They are: Mr Mohammad Ismail Soho, General Secretary, defunct PNP, Hyderabad division; Mr Mohammad Yousuf Keeano, a leader of Awami Tahrik and General Secretary MRD District Thatta; Soofi Hizzor Bux, General Secretary, Sind Hari Committee; Comrade Ghulam Rasul Zangezo, President People's Hari Committee, District Thatta; Suleman Lund and Abu Malah. All of them were sentenced to one year's imprisonment and ten lashes each. It may be recalled that the said leaders and workers staged procession, raised slogans and addressed big gatherings following the call of their parties for restoration of democracy in August and September 1983. [Text] [Karachi DAWN in English 12 Jan 85 p 8]

PPP LEADER ON PARTY POLICY--Karachi, Jan 9--Kazi A. Ghani, Secretary Information of the defunct PPP (Sind), has said that his party may "suitably modify its policy" if the Government showed "some reasonableness" in amending the Aug 12 Plan. Addressing a Press conference here on Wednesday, he said that persons expressing views in the name of the PPP had already been expelled. He criticised attempts at "maligning" the Sind Party chief, Mr Ghulam Mustafa Jatoi. Kazi Ghani said MLR 65 was designed to "push bureaucrats into the political scene." [Text] [Karachi DAWN in English 10 Jan 85 p 10]

ZIA CONFIRMS MEETING JATOI--All doubts about the much talked of meeting of PPP leader Ghulam Mustafa Jatoi and President General Mohammad Zia-ul-Haq came to an end yesterday when the President confirmed that the meeting did take place recently. The President was talking to newsmen at the Karachi airport yesterday on his arrival from Islamabad. He was asked to say something on the controversy going on in the press about Jatoi's meeting with him and Jatoi's denial of it. The President said that his meetings with different political leaders were going on and there was nothing new to it. He said he had a meeting with Jatoi recently but there was nothing new in the talk between the two. He said he had personal relations with Jatoi right along. President Zia-ul-Haq said he meets every political leader. In this connection he said he had held meetings with leaders from the defunct PML, Jamaat-e-Islami and other political parties. [Text] [Karachi BUSINESS RECORDER in English 15 Jan 85 p 1]

TI CHIEF ON ELECTIONS--Lahore, Jan 7--The president of the defunct Tehrik-i-Istaqlal, Air Marshal (retd) Mohammad Asghar Khan, has issued instructions to the provincial party chairmen to expel any member who declares candidature for the forthcoming elections before the party has taken a decision in this regard. This was stated by the Secretary-General of T.I., Mr Khurshid Mahmud Kasuri, in a Press release. The position of the defunct Tehrik-i-Istaqlal in respect of the forthcoming elections, he said, was unambiguous and was contained in the resolution of the national working committee adopted on October 12 last at Abbottabad. The TI would only take part in the elections if they were held on party basis and for the purpose of transferring power to the elected representatives of the people, he added. [Text] [Karachi DAWN in English 18 Jan 85 p 2]

ZIA OFFERED MUSLIM LEAGUE PRESIDENCYSHIP--Rawalpindi, Jan 7--Defunct Pakistan Muslim League (Qayyum Group) President, Mr Nabi Bukhsh Zehri requested the President Gen Mohammad Zia-ul-haq to join PML as its President. The proposal, if accepted by the President, Mr Zehri hoped, would reunite both factions of the party. Mr Zehri told a news conference on Monday that prominent PML leaders will soon meet in Karachi to discuss the move. He, however, said President Zia-ul-Haq, who had all the qualities needed for a prestigious political party head, will deal with party affairs rather intelligently. [Text] [Karachi DAWN in English 18 Jan 85 p 3]

PPP LEADER'S WARNING ON ELECTIONS--Karachi, Jan 7--Mr Yahya Bakhtiar has said in a Press statement that members of the defunct PPP will be expelled from the party for a period of seven years if they participate in the elections for the National or provincial assemblies or for the Senate. Action can also be taken against such persons even if they publicly assist, support or work for any candidate in any of these elections, the statement said. Anyone who feels aggrieved by this decision has been asked to send a review application to Mr Bakhtiar within 10 days. [Text] [Karachi DAWN in English 18 Jan 85 p 8]

ZIA CONFIRMS RUSSIAN OFFER--President General Mohammad Zia-ul-Haq confirmed the Soviet offer of assisting Pakistan in the establishment of another steel mill. Talking to newsmen in the conference hall of Pakistan Steel, the President said that the offer was now being examined by the Government. He thanked the Soviet Union for the offer, and said that the reply to this offer would be given at the proper time.--APP [Text] [Karachi BUSINESS RECORDER in English 16 Jan 85 p 1]



SRI LANKA

PALESTINIANS, LIBYANS SAID TRAINING, FINANCING SEPARATISTS

Paris LE MONDE in French 4 Dec 84 pp 1, 8

[Article by Patrice Claude: "Troubles for Sri-Lanka Are Getting Worse"]

[Text] New Delhi--On Saturday, 1 December, 60-70 persons, including 11 Sinhalese civilians, were killed in various places in the northern part of Sri Lanka as a result of raids launched by the Tamil independence guerrillas.

These figures, which can be added to the 145 dead the day before, are the worst ever recorded on the island since the opening of hostilities 7 years ago between the government in Colombo and the Tamil minority that is fighting for secession in the northern part of the island (LE MONDE, 1 and 2-3 December).

According to Mr Athulathmudali, the interior minister in charge of the fight against the terrorists, six boats that tried to land at the Jaffna peninsula Saturday to Sunday night, were destroyed and sunk by the security forces. Reportedly, each boat carried between eight and ten terrorists on board.

The day before, again according to Colombo, 18 boats of the same type--rather fragile fishing boats for the most part--tried secretly to land on the coast of Sri Lanka but were repelled by firing from surveillance helicopters and about half a score of terrorists were killed.

To counter the insurrectional offensive in progress, this being the biggest and best-prepared since the start of the conflict, the government of President Jayewardene tried to isolate all of north Tamil from the rest of the island.

A security zone was created over a distance of 300 kilometers along the coast-line and this involved shifting vast numbers of Tamil people toward the center and the south of the island.

The curfew that lasted 14 hours per day in the north was increased to 24 hours and extended to almost half of the country. In several places the army established emergency camps for Sinhalese from the north who were terrified by the guerilla attacks; 3,000 persons have already found refuge there. The two attacks launched on Saturday by the separatists were aimed at two villages of Sinhalese fishermen situated not far from the rehabilitation settlements for former Sinhalese prisoners, the main targets of Friday's attack.

As far as we have been able to learn, the Tamil offensive now in progress--which was to continue until 16 January, according to information gathered by Colombo--is being conducted by the TLTE (Liberating Tigers of Tamil Eelam, meaning nation). The TLTE, who are both the oldest (founded in 1972) and militarily the most effective outfit among the separatist organizations, are led by a young, 30-year-old, pro-socialist intellectual by the name of Mr Velubillai Pirabhakaran, who has a price on his head.

#### Palestinian and Libyan Aid?

According to certain sources, the TLTE supposedly have 2,000-3,000 fighters trained by the Palestinian PLO and armed by Libya. According to the pro-Western government in Colombo, three other groups out of the biggest eight organizations fighting for independence are also getting help from Colonel Qadhdhafi.

The scope of the current offensive shows that the action unity of these groups in the field has become a harsh reality for the authorities in Colombo after many years of ups and downs. On the other hand, the Sinhalese army, advised by Israeli specialists in antiterrorist fighting, is still too weak, too poorly equipped, and too undisciplined to hope to be able to reduce the Tamil rebels on a long term basis. "The only thing we can do," an officer said recently, "is to contain the attacks and try to stop a generalized uprising in the north."

Accused by Colombo of closing its eyes to the activities of Tamil "terrorists" based on its territory and preparing the island's invasion, New Delhi completely denied and regretted the "war atmosphere developed by the government of Sri Lanka between these two countries." Colombo rejected these statements and repeated its accusations.

#### New Delhi's Role

As a matter of fact, it is no secret to anybody that it is actually in India, in the State of Tamil Nadu, that the Tamil extremists are being organized and are preparing their operations. All of the independence movements have their political headquarters in Madras, the capital of Tamil Nadu, and operational radio stations on the coastline of India, 35 kilometer from the beaches of northern Sri Lanka.

The 40,000 Tamils, who found refuge in the south of India after the July 1983 massacres, constitute a reserve force from which the nationalist movements can draw at will. They also and above all have the sympathy of the 40 million Indian Tamils who live in the state and they get the active support of the local main opposition party, the DMK [Dravidian Progressive Federation]. For almost 2 years, that party has been squarely calling for the armed intervention of India in Sri Lanka in order, as it says, to save the Tamil cousins from "certain extermination."

The government in New Delhi, which assumes the chairmanship of the non-aligned and which has enough domestic problems of its own, is a priori not very enthusiastic about this. But India is in the midst of an election campaign. The Dravidian Party, which rules in Tamil-Nadu and which is linked to the central government in Delhi, is losing steam and Rajiv Gandhi at this moment is more vulnerable to the go-to-war pressures than his mother ever was. If he wants to avoid losing the local elections in this important state in the south, the young prime minister will have to act quickly.

In launching their first great offensive at this delicate moment, the Tamil Tigers know perfectly well what they are doing. If the attacks against the Sinhalese civilians are followed up, as they were last year, by the massacre of Tamils in the center and south of the island, it will be extremely difficult for the government of Mr Gandhi to stand by and watch.

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CSO: 4619/15

END